Daily Report

Central Eurasia

FBIS-SOV-94-225
Tuesday
22 November 1994

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Central Eurasia

FBIS-SOV-94-225 *22 November 1994*

CONTENTS

INTERREGIONAL AFFAIRS

Top Moldova, Belarus Officials Favor CIS Ties *[RABOCHAYA TRIBUNA 18 Nov]* 1
IEC Chairman Comments on Session *[INTERFAX]* 1
ITAR-TASS Carries Press Review for 22 Nov 2

RUSSIA INTERNATIONAL AFFAIRS

Yeltsin Condemns Bombing by Krajina Serbs *[ITAR-TASS]* 3
Condemns U.S. Decision on Bosnia *[ITAR-TASS]* 3
Kozyrev Emphasizes Retaliatory Nature of Air Strike *[Moscow TV]* 3
Officials Believed Bombing Unlikely *[INTERFAX]* 3
Diplomat: No Real Reason for Bombing *[INTERFAX]* 4
Duma Committee Offical Slams NATO Raid in Croatia *[Moscow Radio]* 4
Duma Deputy Chairman Concerned Over NATO's Expansion *[Moscow Radio]* 4
Yeltsin Receives New Yugoslav Ambassador *[TANJUG]* 5
Chernomyrdin: Talks With Kuwaiti Amir 'Constructive' *[ITAR-TASS]* 5
Davydov on Cooperation Agreement With Kuwait *[ITAR-TASS]* 5
Chernomyrdin Departs Kuwait for UAE *[ITAR-TASS]* 6
Chernomyrdin Arrives in United Arab Emirates *[ITAR-TASS]* 6
Yeltsin, Turkemnistan's Nizayov Discuss Cooperation *[RABOCHAYA TRIBUNA 18 Nov]* 6
Yeltsin Aide: No Substantial Changes in Foreign Policy *[Moscow TV]* 7
Kozyrev Assesses Future of CSCE *[ITAR-TASS]* 8
Border Guards Commander Cited on Agreement With Mongolia *[RABOCHAYA TRIBUNA 18 Nov]* ... 8
Duma Delegation Arrives in Baghdad With 'Diplomatic Aim' *[ITAR-TASS]* 9
Chernomyrdin on Kuwait Visit, Sanctions Against Iraq *[ITAR-TASS]* 9
Baltic Stance Does Not Help Demilitarization *[KRASNAYA ZVEZDA 19 Nov]* 9
U.S. Oil Consortium's Bid Said Bad for Russia *[IZVESTIYA 18 Nov]* 10

RUSSIA NATIONAL AFFAIRS

Political Issues

NATO Expansion Plans Said 'Unacceptable' *[ITAR-TASS]* 12
Yeltsin To Submit Law on Presidential Election *[Russian TV]* 12
Program of Yeltsin Visit to Pskov Detailed *[ITAR-TASS]* 12
Volskiy Encourages Accord Treaty Fulfillment *[KRASNAYA ZVEZDA 19 Nov]* 12
Views on Foreign Minister Kozyrev Resigning *[INTERFAX]* 12
Yelin, Grachev Survive Sharp Duma Debates *[IZVESTIYA 19 Nov]* 13
Grachev-Duma 'Dialogue' Proved 'Constructive' *[KRASNAYA ZVEZDA 22 Nov]* 14
Poltaranin on Possible Merger of TV Stations *[INTERFAX]* 15
Merger Plan: 'Political Mistake' *[ITAR-TASS]* 15
Decision Will Not Be Rushed *[ITAR-TASS]* 15
TV Chiefs Oppose Merger Plan *[ITAR-TASS]* 16
Paper Suggests Program Dropped To Appease Yeltsin *[TRUD 22 Nov]* 16

Economic & Financial Issues

'Alarming' Fuel Situation To Be Examined *[ITAR-TASS]* 16
Duma Official on Pros, Cons of CIS Customs Union *[Moscow TV]* 16
Oct Figures Show Increase in Industrial Output *[ROSSIYSKAYA GAZETA 19 Nov]* 17
Economics Minister: Reforms To Ease Business Taxes *[INTERFAX]* 18
Minister Insists Agriculture 'Needs State Support' *[SELSKAYA ZHIZN 19 Nov]* 18
Chubays Addresses Conference on Foreign Investment *[Russian TV]* 18

Says More Investments Possible *[ITAR-TASS]* 19
Chubays: Yeltsin Hard Currency Edict May Be Revised *[SEGODNYA 22 Nov]* 20
Review on Limit on Hard-Currency Bank Accounts Likely *[INTERFAX]* 20

Military Issues

Ministry Denies Involvement in Chechen Fighting *[ITAR-TASS]* 20
Possible Conflict Resolutions Discussed *[INTERFAX]* 20
Support Messages for Grachev Organized by Ministry *[KOMSOMOLSKAYA PRAVDA 19 Nov]* .. 20
Army Funding Spread Too Thin, Needs Targeting 21
Defense Industry Seen as Struggling To Survive *[KRASNAYA ZVEZDA 19 Nov]* 22
Army Problems Need Solutions, Not Scapegoats *[KRASNAYA ZVEZDA 19 Nov]* 23
Japanese Defense Official Received for Talks *[ITAR-TASS]* 24

Federal Assembly

Duma Ratifies Treaty With Latvia *[ITAR-TASS]* 24
Kokoshin Briefs on Strategic Force, Nuclear Policy *[NEZAVISIMAYA GAZETA 22 Nov]* 25
Grachev Resignation Issue Deferred Until Jan *[ROSSIYSKIYE VESTI 19 Nov]* 25
CIS Interstate Economic Forum Previewed *[ITAR-TASS]* 25

Regional Affairs

Cossacks Form Military Force in Stavropol Kray *[ITAR-TASS]* 26
Chechen Opposition Threatens To Seize Groznyy by Dec *[ITAR-TASS]* 26
Invasion of Naura Region Planned *[INTERFAX]* 27
Stavropol Cossacks Deny Occupation Plans *[Moscow Radio]* 27
Chechen Defense Committee Holds Meeting *[INTERFAX]* 27
Defense Committee Urges UN To Prevent Aggression *[INTERFAX]* 27
Bomb Explodes in Downtown Groznyy *[Moscow TV]* 27
Six Factions Ready To Fight for Presidency *[Radio Rossii]* 27
Ingush President on State of Emergency Regulations *[INTERFAX]* 27
North Ossetia Passes New Constitution, Renames Republic *[SEGODNYA 22 Nov]* 28
New Foreign Economic Contracts Procedure Takes Effect *[UNIAN]* 28
Archangelsk Enterprises Resume Work After Power Restored *[Moscow TV]* 28
Gold Found in Russian North *[Russian TV]* 28
Diphteria at 'Critical Level' in Maritime Kray *[ITAR-TASS]* 29

UKRAINE

International Affairs

Kuchma Addresses UN, Cites Current Issues *[UNIAR]* 30
On Security Guarantees, 'Reservations' *[ITAR-TASS]* 30
Criticizes U.S., Russia *[ITAR-TASS]* 31
Kuchma, U.S. Business Leaders Discuss Future *[UNIAN]* 31
Estonia Welcomes Ukraine's NPT Accession *[Kiev International]* 31
Kiev Declines To Sign CIS Border Agreement *[UNIAN]* 31

National Affairs

Kuchma Issues Land Reform Acceleration Decree *[VYBIR]* 32
On Economic Reforms *[VYBIR]* 32
Ship Prepares for Yugoslav Peacekeeping Role *[HOLOS UKRAYINY 18 Nov]* 33
Veterans Give To Missile Cruiser Fund *[HOLOS UKRAYINY 18 Nov]* 33
Official on CFE Weapons Reduction Inspections *[UNIAR]* 33
Shmarov on Current Military Issues, Goals *[UKRAYINA MOLODA 11 Nov]* 33
Dyomin on Economic Reforms, Communist Party *[HOLOS UKRAYINY 16 Nov]* 38
Low Voter Turnout Cancels Most Contests *[AFP]* 39

CENTRAL ASIA

Kazakhstan

Premier Kazhegeldin Meets EBRD Delegation *[KAZTAG]* 41
Congress Party in 'Constructive Opposition' to Nazarbayev
[NARODNYY KONGRESS No. 14, Nov] 41
Justice Minister: President's Office Blocks Reforms *[ITAR-TASS]* 42
Karimov Pardons Five Opposition Leaders *[NEZAVISIMAYA GAZETA 4 Nov]* 42
State Government Organs Restructured *[KAZAKHSTANSKAYA PRAVDA 5 Nov]* 44
Dzhaganova on New Government, Transition *[SOVETY KAZAKHSTANA 9 Nov]* 44
Sociopolitical, Opposition Movements Seen *[SOVETY KAZAKHSTANA 9 Nov]* 48
Official on 'People's Unity of Kazakhstan Union' *[KAZAKHSTANSKAYA PRAVDA 10 Nov]* 51
Officials Recall Chronology of Cherepanov Kidnapping
[KAZAKHSTANSKAYA PRAVDA 8 Nov] 52
Groups Join To Address Kidnapping *[KAZAKHSTANSKAYA PRAVDA 8 Nov]* 53
Kidnapping Stirs Concern Among Cossacks *[PANORAMA 12 Nov]* 54
General Procurator on State Corruption *[EKSPRESS-K 10, 11 Nov]* 55
Anti-Nuclear Conference Held in Almaty *[Almaty TV]* 58
New Rules on Guarantees for Credit Issued *[KAZTAG]* 59
Prospects for National Economic Development Viewed *[IZVESTIYA 3 Nov]* 59
Law on Changes, Additions to Law on 1994 Budget 61
Text of Law *[KAZAKHSTANSKAYA PRAVDA 19 Oct]* 61
Commentary on Law *[KAZAKHSTANSKAYA PRAVDA 19 Oct]* 62

Kyrgyzstan

Akayev Says Bureaucrats Blocking Reforms *[INTERFAX]* 64
Akayev on Tasks Faced by Local Self-Government Bodies *[INTERFAX]* 64
Akayev Addresses Bishkek Conference on Agriculture *[INTERFAX]* 64
State Administration Head Appointed *[Bishkek Radio]* 65

Uzbekistan

Russians Accuse Uzbeks of Discrimination *[KOMSOMOLSKAYA PRAVDA 16 Nov]* 65
Candidates for Supreme Assembly Elections Approved *[Tashkent TV]* 66

CAUCASUS

Azerbaijan

Mishap Halts Gas Flow in Pipeline From Turkmenistan *[TURAN]* 67
Aliyev Asks for Assurances of IMF Assistance *[Baku Radio]* 67
Need Seen for Revised Russian Relations *[TURAN]* 67

Georgia

Shevardnadze Interviewed on Current Issues *[Tbilisi Radio]* 68
Deputy Premier: Gas Supply Cut Caused by Accident *[IBERIA]* 69
Georgian, Abkhaz Officials Cited on Geneva Talks *[INTERFAX]* 69
Relations Between Abkhaz, Regional Leader Worsen *[Tbilisi Radio]* 69
'Militant' Organization Wants Russians Out of Abkhazia *[INTERFAX]* 70
Residents Protest Difficult Living Conditions *[Tbilisi Radio]* 70

BALTIC STATES

Estonia

Prime Minister Departs for Crime Conference in Italy *[ETA]* 71
Defense Minister Heads to London for Seminar *[Tallinn Radio]* 71
Official: Give Up Territorial Claims on Russia *[INTERFAX]* 71
Economy Minister Says Export Support System Necessary *[ETA]* 71

Latvia

Latvia Can Join NATO Following Expansion Resolution *[Riga Radio]* 71
Technical, Scientific Agreement Signed With Israel *[Riga Radio]* 72
Views on Dismantling Skrunda Radar Station Differ *[DIENA 3 Nov]* 72
Ulmanis, Gorbunovs Deliver Independence Day Speeches *[Riga Radio]* 73

Lithuania

Danish Foreign Affairs Minister Holding Talks *[Vilnius Radio]* 74
Russian Embassy Refuses Comment on Transit Talks *[BNS]* 74
'Very Productive' Border Talks Noted With Russia *[BNS]* 74
Talks Continue; Agreement Reached *[ELTA]* 75

Top Moldova, Belarus Officials Favor CIS Ties

MM2111122994 Moscow RABOCHAYA TRIBUNA in Russian 18 Nov 94 p 3

[Unattributed "Parliamentary Views": "You Cannot Step Twice into the Same River. But Let's Try Anyway..."]

[FBIS Translated Text] When this issue was being put together, we telephoned the leaders of the parliaments of a number of CIS countries and asked them for their thoughts on the present and future of the Commonwealth and the role of the Interparliamentary Assembly. Today we have Minsk and Chisinau on the line.

Vyacheslav Kuznetsov, deputy chairman of the Republic of Belorussia [Belarus] Supreme Soviet:

"Our position is well-known: The Belorussian leadership and its Supreme Soviet have always favored the development of integrational links within the Commonwealth framework. Even now we are in favor of stepping up this process.

"In our efforts to develop mutual relations with partners primarily on an economic basis we welcome the decisions made at the October session of the heads of the Commonwealth states. Most of the acts requiring ratification in the Supreme Soviet will most likely receive its backing. Recently we have been seeking close bilateral relations with states and parliaments, without destroying collaboration with all partners.

"The Interparliamentary Assembly approved a plan to coordinate its activities in providing the legal backup for the integrational development of the CIS in 1994-95. That is very important. We expect the Interparliamentary Assembly to work efficiently and with some urgency in the elaboration of model legislation and general approaches to pressing problems. We are relying on effective joint action. In my view, the Interparliamentary Assembly's peacemaking action on Karabakh has been very productive."

Dmitriy Motskan, deputy chairman of the Republic of Moldova Supreme Council:

"Our attitude toward the CIS, in particular mine as chairman of the agrarian-democratic party, is positive, of course. Moldova has signed its basic documents, except for those relating to military and military-political union. We see the Republic as a demilitarized zone in the future anyway, so we are not participating in the discussion of military problems. But in absolutely all other spheres we are working with the other CIS participants.

"In my view, the Interparliamentary Assembly of the Commonwealth of republics of the former Union must contribute in every way to their economic, cultural, and political integration. In order to mend the holes that have appeared with the breakup of the Union we badly need constant, businesslike meetings at the level not only of state and government heads, but also of parliaments. We intend to actively participate in Interparliamentary Assembly initiatives and do all we can to make it work properly. Not in theory, but in practice. This includes exchange of parliamentary groups, joint conferences and sessions... But what we want is less rhetoric and more real steps and measures to unite our parliaments."

IEC Chairman Comments on Session

LD2111210194 Moscow INTERFAX in English 1422 GMT 21 Nov 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[FBIS Transcribed Text] During the first session of the presidium of the Interstate Economic Committee (IEC), held in Moscow, representatives of 11 CIS governments (except the government of Turkmenistan) coordinated the drafts of more than 10 documents on the implementation of the Treaty on the CIS Economic Union.

The documents discussed during the session deal with the creation of a single customs system in the CIS, the formation of a CIS corps for dealing with natural and technogenic disasters and joint measures to enhance labor safety. The draft documents on the joint celebration of the 50th anniversary of the victory over fascism were also discussed.

According to Interfax sources, during the closed part of the session, the presidium discussed the possibility of unblocking the movement of trains on the stretch between the station Vesyoloye of Russia's North Caucasian railways and the station Samtredia of the Georgian railways. Representatives of the CIS countries urged Russia to ensure the safety of the cargo which is regularly stolen by organized bandits in Chechnya. The CIS Transcaucasian republic's losses amounted to 17 billion rubles this year, while the movement of trains through Chechnya was practically terminated. No decision was taken on the issue during the session.

Summing up the results of the session, Russia's Vice Premier Alexey Bolshakov, unanimously elected chairman of the IEC, stated that the IEC was not a supranational body. However, he did not rule out situations whereby the IEC might demand supranational powers. "So far, the question has never been raised this way," he said.

He believes that priority must be given to the problems of debts, the creation of an efficient customs union and the restoration of the economic contacts which existed between the former Soviet republics.

He said that the functions, tasks and powers to be delegated to the IEC in accordance with the CIS decisions had not been determined yet.

He also pointed out that "the functions and tasks of the IEC must be determined first" and then a staff suiting these parameters employed. He is convinced that the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

establishment of the IEC's working bodies will not take too much time and that "specialists already working in Moscow must be used."

Executive Secretary of the CIS Ivan Korotchenya said that the presidium of the IEC must tackle the CIS's current problems by using "administrative methods". "If this works," he said, "the CIS will start operating efficiently."

Summing up the results of the session, he expressed regret in an interview with Interfax that despite the CIS supreme bodies' decision to create the IEC, only Russia and Uzbekistan have appointed representatives to the IEC collegium, the IEC's permanent working body. The rest of the CIS countries "have assumed a wait-and-see position," he said. He announced that the first session of the collegium would be held in Moscow on December 5. During the session, candidacies to the post of chairman of the collegium are to be discussed, after which they are to be submitted to the Council of the Heads of Government which is to meet in Moscow on December 9. The final decision is to be taken by the CIS presidents during the summit to be held in Almaty on December 23.

IF note: CIS Chairman, Russian President Boris Yeltsin sent a message to the session of the IEC presidium which expresses hope that the IEC will "set the mechanism of the Economic Union in motion." The message also says that the IEC's nearest task is the formation of a customs and payments unions, and the creation of prerequisites for the transition to a common market of goods, services, capital and workforce. Yeltsin believes that "favorable conditions have been created for the integration of the CIS countries, a solid legal foundation has been laid and centripetal tendencies are becoming increasingly prominent." He hopes that the IEC will become an efficient instrument of strengthening the CIS.

ITAR-TASS Carries Press Review for 22 Nov

LD2211081594 Moscow ITAR-TASS in English 0704 GMT 22 Nov 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow November 22 TASS—IZVESTIYA on a Russian investment missions idea:

"The establishment of Russian investment mission if only in five to six major financial centres of the world will help collect money from both big and small businessmen and invest it in the Russian economy.

Commenting on the foreign investments council session, which ended in Moscow on Monday and which was attended by leading Russian businessmen and executives of a number of major foreign companies, the newspaper observes that "foreigners displayed interest in Russia, and not just a polite one at that". IZVESTIYA believes that Russia inadequately seeks to draw foreign capital.

ROSSIYSKIYE VESTI reports that the presidential staff and the Russian Government are planning to hold a meeting on the subject "prospects for economic reforms in Russia" at the end of next week.

The meeting is expected to be declared open by President Boris Yeltsin and a report is to be made either by Prime Minister Viktor Chernomyrdin or First Vice-Premier Anatoliy Chubays.

ROSSIYSKAYA GAZETA on the state of affairs in the Russian armed forces.

The newspaper quotes Aleksey Arbatov, member of the State Duma Committee on Defence, as saying that the provision of the Army with all essentials requires a five- and even ten-fold increase in expenditure, which is now impossible.

"The country's economic resources urgently require the outdated Soviet army model with its megalomania, unwieldiness, and the cult of quantitative indicators.

"It is now essential to determine priority military programmes, proceeding strictly from the expediency of ensuring the sufficient defence of the state and the need for extra-ordinary solutions in this respect, not from purely departmental interests," Arbatov believes.

KRASNAYA ZVEZDA (RED STAR) is of the opinion that in order to maintain the strategic balance in the world Russia's strategic missile forces need 900-1,000 and even more missile launchers. There may remain slightly more than 100 of them by the year 2000. "Expert estimate is that Russia's national security will be put in jeopardy," the newspaper writes.

KOMSOMOLSKAYA PRAVDA observes that President Boris Yeltsin's announcement, made during his meeting with intellectuals, about his intention to merge the Ostankino Television with the Russian Television network and place a "very responsible person" at the head of the newly-formed TV network, sounded "like a bolt out of a clear sky" to the television personnel, although the idea was expressed for the third time since 1992."

RABOCHAYA TRIBUNA carries an interview with Nizhniy Novgorod Governor Boris Nemtsov. In response to a question about the forthcoming presidential elections in Russia, he said in particular that the people should not be made hostages of one person, even if the person is the president. "We cannot be hostages either of Yeltsin, Zhirinovskiy, or Zyuganov, etc. The people should not be afraid that after a regular presidential election, everything Russia would be upside-down".

IZVESTIYA on Sunday's elections to local legislative power bodies in Kuban territory:

"The number of candidates from democratic parties and associations was surprisingly small at the elections. "As the democrats concede their positions, populist and overtly extremist forces emerge more and more confidently in the arena to fill the vacancies," the newspaper notes.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Yeltsin Condemns Bombing by Krajina Serbs

LD2111144694 Moscow ITAR-TASS in English 1432 GMT 21 Nov 94

[FBIS Transcribed Text] Moscow November 21 TASS—Russian President Boris Yeltsin has condemned bombing by Krajina Serbs in Bosnia and called it "inadmissible" as he addressed foreign ambassadors in Moscow on Monday [21 November].

The president said that Krajina Serbs have "violated international treaties and agreements."

He also said that the "Russian representative in the United Nations voted for the decision adopted by the world community."

Condemns U.S. Decision on Bosnia

LD2111152694 Moscow ITAR-TASS World Service in Russian 1441 GMT 21 Nov 94

[FBIS Translated Text] Moscow 21 Nov (TASS)—In an address to foreign ambassadors on Monday [21 November], Russian President Boris Yeltsin condemned the bombing by Krajina Serbs in Bosnia and described it as "inadmissible."

The president said the Krajina Serbs have "violated international treaties and agreements."

He also said that the "Russian representative in the United Nations voted for the decision adopted by the world community."

Turning to the U.S. decision to unilaterally lift the embargo on arms supplies to the Bosnian Muslims, Boris Yeltsin said it is "unprecedented."

"We are nonplussed and we categorically object, because such actions open a new spiral of bloodshed," the Russian president emphasized.

Asked by an ITAR-TASS correspondent whether there will be an official statement from Russia, Boris Yeltsin replied that it is "too early for that."

The Russian president said that in order to prevent further bloodshed, Foreign Minister Andrey Kozyrev has "already taken certain measures during his visit to France and talks with its leadership and other states' foreign ministers."

Boris Yeltsin also said that "many countries in Europe are indignant over the U.S. actions." Washington's decision "goes against the world community, the United Nations, and the Security Council."

The president is convinced that Russia will act together with European countries "in unison in order to bring peace to the Balkans."

Kozyrev Emphasizes Retaliatory Nature of Air Strike

LD2111194094 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 21 Nov 94

["Special interview" with Foreign Minister Andrey Kozyrev by unidentified correspondent for Ostankino TV; place and date not given—live or recorded; from the "Novosti" newscast]

[FBIS Translated Text] [Presenter Nelli Petkova] Our information agency learned the reaction of Russia's top leadership [to NATO air strike] from, as they say, the horse's mouth. Andrey Kozyrev, Russian minister of foreign affairs, gave a special interview for the Ostankino TV company's evening news bulletin.

[Kozyrev] The Muslims began military provocations, but the Bosnian Serbs are engaged in embittered military actions in response to this. This would not have been such a very serious matter. The issue is that from the territory of Croatia, that is from the territory of another state, the Krajina Serbs decided to intervene in these military actions. They in fact have not the slighest relation to this, moreover, to intervene in the most barbaric fashion. Several times over the last few days they sent their aircraft and dropped bombs, hitting the peaceful population as though on purpose. A Security Council resolution was adopted in response to this extending air defense—that is the possibility of carrying out air strikes including against installations of the Krajina Serbs who were intervening in another's war, war on the territory of a neighboring republic.

And now a—and I want to emphasize—retaliatory strike has been carried out against them. They were the first to begin bombing, although we called on them not to do it, and they received a retaliatory strike. We are anxious that the scope and nature of this action by NATO aviation was in full compliance with the Security Council resolution. Therefore, having received the news—the bombing was carried out at the request of the UN forces and not by NATO's decision—we nevertheless demanded a Security Council session, which is taking place now in New York, in order to satisfy ourselves that these actions were undertaken in compliance with UN resolutions. We are waiting for the result, and then we will know.

Today Boris Nikolayevich [Yeltsin] spoke clearly against lifting the military embargo, which the U.S. supports, because this is the road to war, and also against the actions of the Krajina Serbs, in particular air raids against civilian positions which are inadmissible.

Officials Believed Bombing Unlikely

LD2111163394 Moscow INTERFAX in English 1425 GMT 21 Nov 94

[FBIS Transcribed Text] Moscow believes that NATO is unlikely to use its aircraft against the Krajina Serbs if the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bosnian Serbs "display enough common sense" and refrain from taking the city of Bihac by storm, a high-ranking official from Russia's Foreign Ministry told Interfax on Monday [21 November].

It is common knowledge that a resolution adopted by the UN Security Council recently allows for using NATO aircraft to stop "transborder aggression".

In comments on the assertions of the Krajina Serbs that their aircraft took no part in military actions in the area of the Bosnian city of Bihac, the expert said, "This is undoubtedly a falsity. The representatives of the UN protection forces saw the planes of Krajina Serbs take off and land at the airfield of the city of Udbina. This is what prompted the UN Security Council to issue that resolution."

With reference to the next meeting of the Contact Group for Bosnia, to be held on the level of foreign ministers, the diplomat said Moscow believes that it will take place in Brussels on December 2. "This decision was taken in Paris, where the heads of Russian, French and British diplomacies conferred last week. However, U.S. secretary of State Warren Christopher will have the last word," he said.

The Contact Group includes Russia, Britain, France, Germany and the United States.

As the diplomat said, "if Christopher declines to go to Brussels for one reason or another, the ministers may confer in Budapest, where a CSCE summit will be held on December 5-6."

Diplomat: No Real Reason for Bombing

LD2111202994 Moscow INTERFAX in English 1859 GMT 21 Nov 94

[FBIS Transcribed Text] There was no real reason for the NATO air forces to bomb the positions of Krajina Serbs and the airport in Udbina, a high-ranking official of the Russian Foreign Ministry told Interfax today.

He said that the Russian Foreign Ministry was now examining all the circumstances related to the operation by the NATO air forces and could make known its official reaction in the near future.

The diplomat stressed that the air attack against the runaway in the Udbina Airport had been carried out on the demand of the UN Secretary General's Envoy Yasusi Akasi. He said that the recent resolution of the UN Security Council provided for possible utilization of the NATO aviation for putting an end to the "trans-border aggression."

"Nevertheless, we did not expect it to take place today," the diplomat said.

At the same time, he said that "Krajina Serbs should have realized that they are playing with fire."

He said the UN officers had established that jets bombing Bosnian Moslems near Bihac had been taking off from the airport in Udbina. "Krajina Serbs denied that they helped Bosnian Serbs. However, it makes no sense to deny what is evident," he added.

Duma Committee Offical Slams NATO Raid in Croatia

LD2111172994 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 21 Nov 94

[FBIS Translated Excerpt] The NATO air force today began a massed strike on an airfield of the Krajina Serbs on Croatian territory. Thirty planes took part in the operation. The details from Igor Kalaskov:

[Kalaskov] [passage omitted] So far no official reaction has been received from the Russian Foreign Ministry to the NATO air force's actions in Croatia. Grigoriy Karasin, director of the Information and Press Department of the Russian Foreign Ministry, said that at the moment, the question is at the stage of studying and collating information. He said an official statement from Moscow would follow later.

On the other hand, in an interview for our radio-station, Vyacheslav Nikonov, chairman of the arms control and international security committee of the International Affairs Committee of Russia's State Duma, [said] that NATO and the UN forces command have once again carried out a unilateral action. In his opinion, Russia should oppose a repeat of such actions that have not been coordinated with her in the future.

[Begin Nikonov recording] I believe this is another example of NATO's unilateral policy that the State Duma has always condemned, as it condemned two weeks ago the U.S. decision to unilaterally cease its own actions in ensuring the regime of sanctions in relation to arms supplies to the Bosnian Muslims. I do not... [pauses] I think the Russian leadership should state perfectly clearly that it does not support such actions. [end recording]

Duma Deputy Chairman Concerned Over NATO's Expansion

LD2111145594 Moscow Mayak Radio Network in Russian 1311 GMT 21 Nov 94

[FBIS Translated Text] A Russian State Duma delegation returned to Moscow today after attending the proceedings of the 40th North Atlantic Assembly. Our correspondent, Valeriy Sanfirov, spoke to the head of the delegation, First Deputy Chairman of the State Duma Mikhail Mityukov:

[Begin recording] [passage omitted] [Sanfirov] Could you say a few words on the resolution, which was adopted at the North Atlantic Assembly? As far as I know, in your capacity as the head of the State Duma delegation, you expressed concern over the resolution. Why?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Mityukov] I believe that the decision of the 40th North Atlantic Assembly to resolve within two to five years the issue of expanding NATO will lower the security threshold in Europe. This is because in this country many voters view NATO as a military political organization, which is seen as a threat to our security—even though relations between NATO and Russia have undergone radical changes in the direction of cooperation. The other aspect is that in practice this leads to a return to bloc practice and bloc mentality. Third, we do not believe NATO to be the best suited organization to create pan-European security. NATO does not take the interests of all European states into consideration. There is a broader organization, namely the CSCE, of which all the European states, as well as Canada and the United States, are members. This organization could be the best option to ensure that the interests of security of all states are taken into account, regardless of their economic and human potential and their political nature. [end recording]

Yeltsin Receives New Yugoslav Ambassador

LD2111163994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1611 GMT 21 Nov 94

[FBIS Translated Text] Moscow, 21 Nov (TANJUG)—Dr. Danilo Markovic, the Yugoslav ambassador to the Russian Federation, today presented his letters of accreditation to the Russian Federation President Boris Yeltsin. On this occasion the ambassador extended greetings on behalf of the president of the Republic, the government, and the people of the Federal Republic of Yugoslavia.

Responding to the greetings, Boris Yeltsin expressed satisfaction with the decision to appoint Dr. Danilo Markovic ambassador in the Russian Federation and emphasized Russia's readiness to contribute to the efforts to consolidate peace in the Balkans.

The ceremony was attended by Russian Minister of Foreign Affairs Andrey Kozyrev and Dmitriy Ryurikov, the president's foreign affairs advisor.

On the Yugoslav side, the ceremony was attended by minister-councillors Milan Rocen and Slavoljub Stanic.

Chernomyrdin: Talks With Kuwaiti Amir 'Constructive'

LD2111213994 Moscow ITAR-TASS in English 1944 GMT 21 Nov 94

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Transcribed Text] Kuwait November 21 TASS—Russian Prime Minister Viktor Chernomyrdin said he had had "frank and constructive" talks with Kuwait's Amir Jabir al-Ahmad al-Jabir al- Sabah and Prime Minister Sa'd al-'Abdallah al-Salem al-Sabah. Chernomyrdin said areas of future cooperation were agreed upon and accords made during the talks.

The Russian prime minister today met Kuwaiti businessmen in the al-Bayan Palace. He called on the business quarters to invest in Russia's space, heavy and light industry, the oil and gas sector, prospecting and defence industry conversion to civilian uses.

Russia is experiencing major developments, the prime minister said. It is changing in pursuing its economic reform. The country is already having 40,000 owners and oriented towards integration in the world economy, he continued. All efforts of the Russian Government and President Boris Yeltsin aim to continue this course, Chernomyrdin said. Conditions are improved encourage foreign and domestic investment in Russia. Many of the world's leading companies are already active in Russian markets. Over 3,000 joint ventures are working in Russia. Investment in the Russian economy shows a monthly increment of 500 million dollars, the prime minister said.

Chernomyrdin offered Kuwait's Chamber of Commerce and Industry to sent its envoy to the Russian Foreign Investment Council. He stressed the importance of an agreement investment encouragement and mutual protection signed today. The agreement lays a legislative basis for economic cooperation between the two countries, Chernomyrdin said, adding that the Russian legislation is refined to protect interests of businessmen.

Kuwaiti industrialists, traders and bankers spoke at the meeting. Ahmad 'Abdallah al-Sabah, Burgan Bank's board managing director, said the bank was drafting a resolution delaying Russia's repayment of Kuwait's credit to create a favourable environment for economic cooperation.

Yusuf al-Ghanim, first deputy chairman of the Chamber for Commerce and Industry, spoke on behalf of the chamber in favour of more relations with Russia on the basis of exchange of business information, delegations and trade fairs. He stressed that Kuwaiti businessmen were free to choose partners, mobile and needed only information and guarantees.

The chamber's board members Abdul Wahhab Wazzan and Faysal Mutawwa, and Chairman of Kuwait Banks Council Sa'd an-Nahidi highly praised Russia's insistence on Iraq's compliance with all U.N. Security Council's resolutions on Kuwait crisis settlement. They reaffirmed interest in broader contacts with the Russian business and willingness to cooperate, saying their meeting with Chernomyrdin was perceived as a guarantee that Kuwait business' interest would be ensured.

Davydov on Cooperation Agreement With Kuwait

LD2111154194 Moscow ITAR-TASS in English 1351 GMT 21 Nov 94

[By ITAR-TASS correspondents Viktor Lebedev and Gennadiy Yezhov]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Transcribed Text] Kuwait City 21 Nov (TASS)—Russia and Kuwait signed here on Monday [21 November] a number of agreements to step up cooperation. The agreements were signed during an official visit to Kuwait by Russian Prime Minister Viktor Chernomyrdin accompanied by a large delegation of Russian ministers. An agreement on setting up an intergovernmental commission on commercial and economic cooperation and an agreement on joint protection and encouragement of capital invesment were signed on Monday. Also signed were a protocol on the provision on information technologies, a protocol on consultations in the foreign ministries of the two countries, and a working programme on cooperation in culture and science.

An intergovernmental commission on commercial and economic cooperation will be headed by Minister of Fuel and Energy Yuriy Shafranik, ITAR-TASS was told by Oleg Davydov, Russian deputy premier and minister of foreign economic relations. The commission will include subgroups which will discuss plans for oil and gas complex, military-to-civilian conversion and cooperation in banking.

Davydov also said that the Kuwaiti side was offered a proposal set up an investment fund in Russia in the framework of the Kuwaiti development fund which has branches in many countries.

Such a branch operating in Russia could help Kuwaiti business people to familiarise themselves with the situation in the Russian market, to work out investment projects jointly with Russian partners and to engage in insurance of investment.

The deputy premier said that those who come to the Russian market use mostly money from the Middle East as spare capital is concentrated in that region. Russia's purpose is to create conditions for direct investment by Kuwait, bypassing middlemen. Still Russian officials are not going to press their advice on Kuwaiti business people. They should study the market on their own and be active, but this cannot be done successfully unless there is an appropriate agreement on protection and encouragement of investment. Such an agreement now exists between Russia and Kuwait.

An agreement on eliminating double taxation should then be concluded with Gulf countries. Davydov said that several joint projects into which Kuwaiti business people could invest were discussed at the talks, specifically, projects in the area of oil extraction and refining, reconstruction of several machine building enterprises and overhauling of Moscow airports.

As to military deliveries, Davydov said this theme had also cropped up at the talks. But he refused to give specific data. He said the Russian side expressed the readiness for broader cooperation in the area. It depends on how the Kuwaiti side determines its requirements for maintaining the combat preparedness of the army. Russia now fulfils the contract for the delivery of various kinds of arms to Kuwait to a sum of 758 million U.S. dollars. The contract was signed in August 1994.

Chernomyrdin Departs Kuwait for UAE

LD2211070794 Moscow ITAR-TASS World Service in Russian 0615 GMT 22 Nov 94

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Translated Text] Kuwait, 22 Nov—Viktor Chernomyrdin, chairman of the Russian Federation Government, left Kuwait by air today for the United Arab Emirates. He has completed the first half of his trip around the Arab countries of the Persian Gulf, during which he visited Saudi Arabia and Kuwait.

Six documents were signed in the Saudi and Kuwaiti capitals, five of them in Kuwait. They lay the foundation for expanding ties between Russia and these countries and define the prospects for future cooperation.

Viktor Chernomyrdin has not restricted himself to negotiations with high-ranking officials of the Arab countries. He held a series of meetings with business circles of the states in the region and appealed for mutually beneficial cooperation with Russia.

Chernomyrdin Arrives in United Arab Emirates

LD2211083694 Moscow ITAR-TASS in English 0804 GMT 22 Nov 94

[By ITAR-TASS special correspondents Gennadiy Yezhov and Vyacheslav Anchikov]

[FBIS Transcribed Text] Abu Dhabi November 22 TASS—Russian Prime Minister Viktor Chernomyrdin arrived in the United Arab Emirates (UAE) on Tuesday for an official visit in a tour of Gulf countries.

At the Abu Dhabi international airport, the Russian premier was met by Shaykh Sultan Bin-Zayid Al Nuhayyan, deputy prime minister of the UAE. The national anthems of the Russian Federation and the UAE were played. Then Chernomyrdin accompanied by Shaykh Sultan reviewed a guard of honour.

During his two-day stay in Abu Dhabi, the Russian prime minister will hold talks with Shaykh Sultan, meet with Shaykh Khalifah Bin- Zayid Al Nahayyan, the crown prince of Abu Dhabi, Shaykh Muhammad Bin-Zayid Al Nahayyan, chief of the general staff of the UAE Armed Forces, and businessmen. The programme for the visit also includes a tour of an off-shore oil field by Chernomyrdin.

Earlier the Russian premier visited Saudi Arabia and Kuwait.

Yeltsin, Turkemnistan's Nizayov Discuss Cooperation

MM1811122594 Moscow RABOCHAYA TRIBUNA in Russian 18 Nov 94 p 3

[ITAR-TASS report: "Russia-Turkmenistan: What Niyazov and Yeltsin Spoke About on the Telephone"]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] A telephone conversation took place between Saparmurad Niyazov and Boris Yeltsin shortly after the celebrations in Ashkhabad [Ashgabat] marking the anniversary of independence.

Specific discussion of upcoming tasks relating to bilateral cooperation, which both leaders regard as a new element in the policy of partnership of the post-Soviet era, formed the main content of their conversation. In particular, they continued the exchange of opinions on the imminent opening in Ashkhabad of a branch of the Rossiyskiy Kredit Bank, which will, it is expected, solve many of the financial problems in relations between the two states, relations which have been mainly aggravated by the problems of nonpayments. It was confirmed to an ITAR-TASS correspondent at the Russian Embassy in Turkmenistan that the opening of a branch of the bank is expected in the very near future.

In the immediate term a visit to Turkmenistan by a Russian Government delegation headed by First Deputy Premier Oleg Soskovets is planned. Briefing the head of Turkmenistan on this, Boris Yeltsin confirmed the powers of the Russian Government representative to sign an agreement on cooperation in the sphere of oil and gas. Russia's long-expected interest in Turkmenistan's mineral reserves is, it seems, starting to be put on a practical footing, which is also confirmed by its active involvement in the transcontinental pipeline project, which crosses into Europe via Turkmenistan, Iran, and Turkey.

Turkmenistan's relations are shaping up equally successfully in the sphere of military cooperation, of which the military parade in Ashkhabad, the Air Force component of which surprised many observers, was an expression. It is well known that in setting up its own Armed Forces Turkmenistan ran into a serious problem in keeping its Air Force up to the requisite standard. That problem is being tackled with the help of Russia and its flying officers.

Andrey Nikolayev, commander in chief of the Russian Border Troops, who has visited Ashkhabad and held a conversation of many hours' duration with Saparmurad Niyazov, has described the steps toward strengthening bilateral border cooperation as the consistent exercise of mutual strategic interest. Andrey Nikolayev confirmed to an ITAR-TASS correspondent both the successfulness of the model of cooperation on joint protection of the frontier, which has no analogue to date in the CIS, and the effectiveness of the joint efforts of Russia and Turkmenistan in maintaining peace in the region.

In developing in the area of all-around cooperation Russian-Turkmen partnership is obtaining a practical basis, as shown first and foremost by the agreement on dual citizenship, which was, incidentally, recently ratified by the Russian Federation State Duma.

The agreement on observing the rights of Russians living in Turkmenistan and of Turkmen inhabitants of Russia will be the next step in this direction. It is expected that it will form the keystone of Niyazov's visit to Moscow.

Yeltsin Aide: No Substantial Changes in Foreign Policy

LD1911210694 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 19 Nov 94

[From the "Novosti" newscast presented by Dmitriy Voskoboynikov]

[FBIS Translated Text] [Dmitriy Voskoboynikov] Many observers have been getting the impression that the president is rethinking not only the situation at home, but foreign policy as well. They got this idea mainly from a number of recent statements by Foreign Minister Andrey Kozyrev. Without regard for the displeasure of the United States and a number of major western European countries, Russia's new partners, he had two meetings with Iraqi leader Saddam Husayn and made vigorous efforts to get the sanctions against that country reviewed, taking over the favorite hobbyhorse of the national patriotic opposition. Just before Queen Elizabeth II arrived in Russia, Kozyrev, displeased with certain replies by his British colleague Douglas Hurd, refused to meet him altogether. Moscow was vociferous in its criticism of the U.S. decision to weaken the embargo on arms supplies to Bosnia. And finally, in Paris this week, the Russian foreign minister stated that the historic Russo-French alliance and Russia's relations with key parties in Europe, should be one of the central bulwarks in the new Europe. He made no mention of the United States.

The president's international affairs aide, Dmitriy Ryurikov, seemed to me to be the best candidate to explain the new tonalities of Russia's foreign policy.

[Begin recording] [Voskoboynikov] Is there any truth in the assertions made by a number of politicians that Russia's foreign policy course has undergone substantial changes of late? And to what degree can our policy in regard to Belgrade and Baghdad influence our relations with the United States? For instance, to lead to a deterioration in them?

[Ryurikov] You know, the idea that there have been substantial changes in Russian foreign policy is wholly incorrect. We remain the same as we were 18 months ago. However, 18 months ago there were not the crises and tribulations that have occurred this year, for instance. So, we have simply kept a low profile. If these crises had occurred 18 months ago, I believe we would have acted in exactly the same way. That is, our principles, aims and methods remain unaltered.

As for our relations with the United States, I think that even though there is a certain sharp edge—certain disagreements on our approaches to Bosnia and to Baghdad—I think we have a firm enough basis not to fear any substantial change in relations with the United States.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Voskoboynikov] Does it often happen that President Yeltsin is dissatisfied, either with Foreign Minister Kozyrev's actions or individual statements?

[Ryurikov] A minister who carries out the most serious and difficult instructions of the president and bears a great responsibility for foreign policy must work very closely with the president and the president is unlikely to keep him on if he is dissatisfied with him. Kozyrev has been working with the president since Autumn 1990. I have personally seen no serious dissatisfaction to speak of, nor have I heard of any.

[Voskoboynikov] Many people think the former socialist countries of Europe are not far from joining NATO, and that Russia is incapable of influencing this process. Is this the case? And in general, how does Moscow regard the expansion of NATO by Moscow's former allies joining it?

[Ryurikov] There is a question here, of course. Russia has in general had an influence on this process and I think will continue to do so, because it is too big a state for our interests not to be taken into account. In general, our position seems to me to be pretty understandable. If we are partners with NATO, if we have common values, common aims and objectives, if we develop partnership relations and say they should even be wider, then why move the military machine up closer to our borders?

[Voskoboynikov] So it turns out that we regard NATO as rivals, just like before?

[Ryurikov] That is not how we look at it! The whole point is that we do not regard NATO as rivals! But the question arises, if, let's say, I come to visit you, and take a truncheon with me, for example—I say I really regard you very highly indeed, but I brought along the truncheon just in case. That would probably make you wonder, wouldn't it?

[Voskoboynikov] At the start of our conversation you said that from your point of view, our foreign policy course has not undergone any substantial changes. You have perhaps partly answered my last question already, but I would still like to pose it. To what degree does the domestic political situation in Russia and the domestic political considerations of President Yeltsin influence our foreign policy?

[Ryurikov] If the interests of the citizens of Russia—economic, political, human interests—demand some foreign policy action, then it would be absolutely normal for this connection to be made and for the action to be carried out, as is in fact the case. But as for specifically political battles in specifically political circles, different approaches by parties—such things are all taken into account, but do not have any serious, decisive impact. [end recording]

Kozyrev Assesses Future of CSCE

LD1811212594 Moscow ITAR-TASS in English 2006 GMT 18 Nov 94

[By ITAR-TASS correspondents Nikita Yermakov and Andrey Shtorkh]

[FBIS Transcribed Text] Paris November 18 TASS—One can expect the CSCE Budapest summit to decide on turning CSCE from a forum into an organization and recognize the need for a dialogue aiming to find a modern security model for Europe, visiting Russian Foreign Minister Andrey Kozyrev told Russian correspondents here today.

All the European organizations were formed in a different epoch for solving different tasks, and they are still rolling along the old track, said the minister. More people are growing to understand this is not enough, said Kozyrev.

Russia is a certain hostage of old European institutions. It is not a member of NATO and cannot join this organization in the near future due to a number of reasons, including technical ones, said Kozyrev. However, NATO has a mechanism of military-political decision-making by a large number of states. The same goes for the European Union, which also has a mechanism of collective political-economic decision-making. However, the Russian economy will prevent its soonest joining of the union.

Thus, CSCE is the only common European structure which includes all states of the continent plus the United States and Canada. However, this is a conference and not an organization. All of its decisions are declarative, and its actions, for instance peace-making, do not have a legal basis, said Kozyrev.

It happens so that there is a need for collective actions but no common European mechanisms, since the current ones were created without Russia, stressed the foreign minister. It is not easy to involve Russia in those mechanisms because of objective difficulties. The CSCE turning into a regional organization is not easy as well. Russia has proposals to the effect, but they have not been put forward. During negotiations in Paris, the Russian stand was taken positively, but there are no easy solutions to the problems, said Kozyrev.

Speaking of the French idea to sign a pact on stability in Europe, the Russian foreign minister noted that Russia could play a key role in success of this initiative. Bearing in mind prospects for Russian-French cooperation as the core of the European partnership stronghold, there will be a way to support this pact, said Kozyrev.

Border Guards Commander Cited on Agreement With Mongolia

MM2111114794 Moscow RABOCHAYA TRIBUNA in Russian 18 Nov 94 p 2

["Own Information" report: "The Border's Old, the Protection's New"]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] The border of the USSR, and now of the Russian Federation, with Mongolia has never been a border causing concern to the two friendly states. It remains so today.

The Agreement on Cooperation on Border Questions signed between the Governments of the Russian Federation and Mongolia in Moscow the other day will make it possible to improve substantially the coordination of the efforts of the structures responsible for enforcing the protection of the states' external borders.

Commenting at RABOCHAYA TRIBUNA's request on the content of the agreement, Colonel General Andrey Nikolayev, leader of the Federal Border Service—the commander in chief of the Russian Federation Border Troops—said the following:

"The work on this and a number of other documents was difficult, but our states' diplomatic services and border troop specialists carried it out with dispatch.

"It has been resolved that the Russian side will help the Mongolian side train cadres for the border troops; it is envisaged that current information will be exchanged and that working parties be set up from representatives of units and border commissariats which will have the task of resolving questions of collaboration."

Duma Delegation Arrives in Baghdad With 'Diplomatic Aim'

LD2111115094 Moscow ITAR-TASS World Service in Russian 1114 GMT 21 Nov 94

[By ITAR-TASS correspondent Aleksandr Yelistratov]

[FBIS Translated Text] Cairo, 21 Nov—A State Duma delegation arrived today in the Iraqi capital Baghdad. This visit, INA reports, is taking place at the invitation of Iraq's National Assembly. The Russian delegation is headed by Viktor Vishnyakov.

ITAR-TASS has learned from reliable sources in Cairo that the Russian parliamentarians will be received by Iraq National Assembly Speaker Sa'di Mahdi Salih, and hold talks with members of the government. They will focus both on issues of bilateral relations and measures aimed at normalizing the situation in the Gulf region, mainly on specific steps which Russia may take in this area. Local political circles believe the visit has also a definite diplomatic aim, namely to strengthen the atmosphere of trust between the two states which was formed after the recent visit to Iraq by Russian Foreign Minister Andrey Kozyrev.

Chernomyrdin on Kuwait Visit, Sanctions Against Iraq

LD2111194994 Moscow ITAR-TASS World Service in Russian 1731 GMT 21 Nov 94

[ITAR-TASS correspondents Viktor Lebedev and Gennadiy Yezhov]

[FBIS Translated Excerpt] El-Kuwait, 21 Nov—Iraq's 6 billion debt [currency not specified] to Russia cannot be a cause for any departure by Moscow from full implementation of all UN Security Council sanctions against Baghdad. Viktor Chernomyrdin, head of the Russian Federation Government, said this today at a news conference in the Kuwaiti capital where he is on a two-day official visit.

A position of unconditional and complete implementation of all sanctions imposed against Iraq by the international community after the war in the Persian Gulf and support for Kuwait, which suffered in the war, will be maintained in full by Russia, despite the latter's difficult economic position, the Russian prime minister emphasized. We shall also, as far as we can, enable the return of Kuwaiti prisoners of war and cultural and other valuables, seized and taken away by the Iraqis during the occupation of Kuwait, Viktor Chernomyrdin noted. However, at present Russia cannot give a guarantee that Iraq will implement all Security Council sanctions, Viktor Chernomyrdin said, in answer to questions from journalists who had gathered at the working residence of the amir of Kuwait, Al-Bayan, where the Russian-Kuwaiti international talks were held. We live in a civilized world and, I think, the UN Security Council has appropriate levers, the Russian prime minister emphasized. Viktor Chernomyrdin confirmed that in the course of intergovernmental talks in the Kuwaiti capital, questions concerning the fulfillment of former accords for the delivery of Russian military equipment and arms to Kuwait were touched upon, and plans for the future in this field were also discussed. The Russian prime minister stated there was complete understanding concerning this problem. Nevertheless, we believe this region should become a peace zone, and will facilitate this.

On the whole, according to Chernomyrdin, the first visit at this level in the history of Russian-Kuwaiti relations concluded successfully. The head of the Russian Government stressed that the Kuwaiti government had highly praised Russia's stand on the main issue for Kuwait—the acknowledgement of its borders and its sovereignty by Iraq, which was achieved with Russia's help.

Baltic Stance Does Not Help Demilitarization

MM2111141594 Moscow KRASNAYA ZVEZDA in Russian 19 Nov 94 p 1

[Report by Vladimir Yermolin: "Koenigsberg? Karalavcius? Kaliningrad!"]

[FBIS Translated Text] As already reported in the mass media, the Baltic Assembly has shown "concern" for our Kaliningrad. It has urged Europe to tackle the demilitarization of Kaliningrad Oblast and to restore the old names at the same time. The State Duma has adopted a statement in this regard. It reads, in particular: "The future of Kaliningrad Oblast is a 'problem of all of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Europe' to the same degree as the question of the development prospects of all of Russia concerns Europe." It points out to the Balts that "the demilitarization of this region...is an internal matter for Russia and will take place in accordance with Russian national interests and with due regard for the development of the situation in Europe."

I believe that the authors of the Baltic Assembly resolution could have guessed that such documents certainly do not contribute to the region's demilitarization but, rather, the opposite. The Duma statement also says that within the framework of the toponymic initiative that has been shown the Balts ought to start with themselves—quite a few historical Russian names hide behind local names in Latvia, Lithuania, and Estonia. In general, it will be interesting to know how the Lithuanians and the Germans, for example, will come to an understanding—the former have already issued a map with Karalavcius instead of Kaliningrad, while the latter naturally remember Koenigsberg. Russia will reconcile the quarreling sides—Kaliningrad will remain Kaliningrad.

U.S. Oil Consortium's Bid Said Bad for Russia

MM2211110294 Moscow IZVESTIYA in Russian 18 Nov 94 p 4

[Report by Ivan Bentsa and Viktor Filippov: "Americans Stalking Russian Oil Against Background of Fuss Over Komi Accident"]

[FBIS Translated Text] Arkhangelsk—The fuss over the accident near the city of Usinsk in the Komi Republic has overshadowed the international furor about the development of the Timan-Pechora oil field. However, it looks as if it is this furor which is the true reason for the hyped concern for the health of Russia's tundra which foreign politicians, ecologists, and oil industry experts are displaying over the holed oil pipeline.

The "Arkhangelskgeologiya" state enterprise has in 20 years' work on the shore of the Barents Sea discovered 55 oil and gas deposits here in the Arctic tundra. Recently, when the state has drastically cut expenditure on prospecting for mineral resources, geologists have been working practically without pay. They hav been spurred on by the hope of future benefits from a joint development with Texaco of the group of deposits in the Timan-Pechora basin, which is situated to the west of the Ural mountains on the territory of the Nenetsk Autonomous Okrug. The Arkhangelsk geologists have already gained experience of the industrial exploitation of oil deposits.

"However, after four years of negotiations with this U.S. company, we have yet to reach an agreement on a project to develop the oil deposits," "Arkhangelskgeologiya" General Director Anatoliy Kazakov says. "The resolution of these questions was passed onto governmental level last April. Meanwhile Texaco had already formed the 'Timano-Pechora Company' consortium, comprising two other U.S. companies Amoco and Exxon and Sweden's Norsk Hydro. A government commission is now trying to reach agreement with this consortium. At the end of September, during Yeltsin's meeting with Clinton, a 'Joint U.S.-Russian Statement in Support of the Timan-Pechora Project' was signed, which envisages the development of a group of deposits with total reserves of 300 million tonnes of oil. Judging from this statement, the project's operator will be the 'Timano-Pechora Company' consortium created by Texaco.

"In reply to my direct question about our role in the project," Anatoliy Kazakov continues, "Company President Thomas Kheyzen [as transliterated] replied from Houston that 'Arkhangelskgeologiya' is not regarded either as a consortium member or the general contractor. It emerges that the Americans will become the bosses of the richest of deposits discovered by us. There is beginning to be unemployment in their oil extraction companies. According to my information, around 4,000 people are expecting to be hit by cuts in Texaco. The U.S. company wants to give its own people jobs by making us unemployed. But we will not give in. At present, there is a reliable investment company which is ready to invest $100 million in our own program to develop the oil deposits using Russian enterprises."

If "Arkhangelskgeologiya" were purely a prospecting enterprise, the U.S. oilmen's move would not have raised a shadow of doubt: The professionals do not want to have dilettantes for partners—end of story. However, the Arkhangelsk company is geological only in name; in actual fact it has substantial experience of oil extraction. About three years ago, "Arkhangelskgeologiya" together with the U.S. company Conoco formed the joint enterprise "Polyarnoye Siyaniye," which is successfully extracting oil in the Ardalinskoye field in the Timan-Pechora Basin.

Thomas Kheyzen broke off business relations with Anatoliy Kazakov 25 October. On the very same day that most influential U.S. newspaper THE NEW YORK TIMES printed a report by U.S. Deputy Secretary of Energy William White on the accident on the oil pipeline near the city of Usinsk which happened back in September. Maybe this was a pure coincidence, but it was in the wake of this publication that the Russian press kicked up a great fuss over the accident's ecological effects, lashing Russian oil companies for poor work.

The contradictory information on the accident's scale and the possibility of oil getting into the Pechora River—the Nenetsk Autonomous Okrug's main waterway—greatly confused the okrug assembly's deputies. The question as to whom to give preference to when issuing a license—"Arkhangelskgeologiya" or the "Timano-Pechora Company"—was discussed at two sessions. Anatoliy Kazakov stated that if his enterprise is granted a license for oil extraction he will pay each inhabitant of Nenetsk Okrug $50 a month for three years. So the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

deputies, although they had many reservations, made the recommendation to the okrug administration to support "Arkhangelskgeologiya." Okrug Governor Yuriy Komarovskiy has not as yet announced his decision but does not conceal his sympathies for the American oilmen. It is no secret that it was he who asked for assistance from the governor of Alaska when at the prompting of THE NEW YORK TIMES the fuss over the accident near Usinsk was kicked up. Whoever the territory head supports will most likely be given the license to extract oil by Moscow.

The struggle for oil in the Timan-Pechora Basin, despite its apparent local nature, has strategic significance for Russia. Oil extraction in West Siberia is being reduced and reserves of hydrocarbons comparable to West Siberia's have already been prospected in Nenetsk Autonomous Oblast. American specialists estimate that the Arctic tundra holds 2.5 billion tonnes of oil. In addition there are the suboceanic deposits on the Barents Sea shelf. Whoever gains control of this oil will, without exaggeration, be able to exert an influence over the whole Russian economy, in which the primary sectors of industry producing raw materials continue to be preeminent.

"We were very bothered by the fact that the 'Timano-Pechora Company' consortium was named as the sole operator in the intergovernmental agreement," Sergey Poskrebatyev, chief of the Federal Counterintelligence Service Directorate for Arkhangelsk Oblast, says. "It is naive to expect foreign companies to work in Russia's interests. They organize oil extraction in their own interests. If it is profitable, they will pump it all out from here, if not they will shut down the fields. It is wrong to farm out the Timan-Pechora project entirely to Western companies. This represents a threat to the security of Russia, which will find itself in the position ofa raw materials colony. The Russian side must definitely play a regulatory role."

Major General Poskrebatyev's fears did not seem excessive to us. After all, the parties competing for the Timan-Pechora oil are demanding a license without even acquainting the oil-rich territory's inhabitants with their projects. The rivals are behaving as if they were in some propaganda show, appealing not to reason but to the emotions. "Arkhangelskgeologiya" is stressing patriotism, promising to keep local enterprises supplied with work, especially in Severodvinsk, where as a result of a reduction in orders for nuclear submarines there are already many unemployed people today. And the "Timano-Pechora Company" consortium is placing the emphasis is on its ecologically safe technologies and skillfully exploiting the fuss over the Usinsk accident.

Yet common sense is always to be found somewhere in between, and its embodiment can be seen here in the Timan-Pechora basin a little to the west of the disputed oil deposits. I refer to the aforementioned "Polyarnoye Siyaniye" joint venture involving the U.S. company Conoco, which is developing the Ardalinskoye deposit with oil reserves of more than 16 million tonnes. Some $375 million have been invested in the project, of which $80 million have gone to 160 Russian companies—suppliers and contractors—for their services. Some 71 percent of "Polyarnoye Siyaniye's" revenue is remaining in Russia. This is good for everyone: Conoco, "Arkhangelskgeologiya," and Nenetsk Okrug. And, in the final analysis, for Russia.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Political Issues

NATO Expansion Plans Said 'Unacceptable'

LD2111172794 Moscow ITAR-TASS in English 1626 GMT Nov 94

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow November 21—Plans of expansion of the NATO bloc are unacceptable to Russia, Mikhail Mityukov, head of the Russian State Duma delegation at the 40th session of the North Atlantic Assembly, believes. This session was held in Washington on November 14-18.

At a briefing which the Russian delegation organized at the Russian State Duma today, Mikhail Mityukov said that in the course of debates and discussion of a draft resolution Russian parliamentarians spoke against an accelerated expansion of NATO.

"From our viewpoint such hasty actions in the near future will lead to the revival of a bloc principle of co-existence and may again divide the world into coalitions opposing each other," a statement which Mikhail Mityukov read out to journalists, stresses.

He noted that the considerations expressed by the Russian side met with understanding from many delegations and officers of the North Atlantic Assembly, however, this was not finally reflected in the adopted resolution which took the course for the expansion of NATO within the next two-five years.

Mikhail Mityukov expressed regrets in connection with the adoption of this document which, the Russian delegation believes, does not manifest the declared by the NATO leadership aspiration for a serious partnership cooperation taking due account of the objective interests of all countries including Russia.

Yeltsin To Submit Law on Presidential Election

LD2211114094 Moscow Russian Television Network in Russian 1100 GMT 22 Nov 94

[From the "Vesti" newscast]

[FBIS Translated Text] Nikolay Ryabov, chairman of the Central Electoral Commission, told the Interfax agency today that Boris Yeltsin intends within a week and a half to submit a draft law on the election of the president of Russia to the State Duma. Nikolay Ryabov said that the draft law proposes that each candidate for the post of president should collect at least 1,500,000 supporting signatures of citizens of Russia.

Program of Yeltsin Visit to Pskov Detailed

LD2111135894 Moscow ITAR-TASS in English 1235 GMT 21 Nov 94

[By ITAR-TASS correspondents Boris Vlasov, Anna Melnikova]

[FBIS Transcribed Text] Pskov November 21 TASS—During a working visit by Russian President Boris Yeltsin to Pskov on November 23, an inspection will be made from a helicopter of a stretch of the Russo-Estonian border in the Pechora district from Kolpino Island on Lake Pskov to the city of Pechora. The president will also tour the frontier township and will visit a check-point on the border with Estonia on the Kunicharnyy mount built recently by Yugoslavs, ITAR-TASS learned from the Pskov regional administration.

During a visit to the Pskov-Pechora monastery, Yeltsin will have a conversation with Archbishop Yevsey of Pskov and Velikiye Luki.

The president will also fly in a helicopter to Dubrovo village where three house-building partnerships are building houses and the social infrastructure for resettlers from Latvia. Yeltsin is to have a conversation with resettlers.

Upon the return to Dubrovo, Yeltsin will place a wreath to the monument to Aleksandr Nevskiy and his warriors, built in honour of the 750th anniversary of the Russian victory in the battle on the ice of Lake Chudskoye in 1242. Later Yeltsin will visit the Pskov Kremlin and the St. Trinity Cathedral where a conversation about the restoration of Pskov monuments of history and architecture will be held in the offices. A conference with officials of the Pskov region and a meeting with the press will also be held there.

Volskiy Encourages Accord Treaty Fulfillment

MM2?11141394 Moscow KRASNAYA ZVEZDA in Russian 19 Nov 94 p 1

[Report by Vasiliy Fatigarov under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Everyone Has His Own Understanding of the Treaty"]

[FBIS Translated Text] Moscow—"We must not scatter apart; each one of us must simply fulfill the obligations which he signed," Arkadiy Volskiy, chairman of the commission for political stability of the Social Accord Treaty, said at a news conference held yesterday.

These words were prompted by statements by individual parties, movements, and trade unions on the possibility of withdrawing from the treaty if their particular conditions are not fulfilled. Today hardly any of the parties to the treaty are fulfilling their adopted pledges, and this is leading to instability in society. "The very fact that the treaty was signed gave us a quiet summer and fall," Volskiy emphasized.

Views on Foreign Minister Kozyrev Resigning

LD2111203094 Moscow INTERFAX in English 1622 GMT 21 Nov 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Transcribed Text] Presidential foreign policy adviser Dmitriy Ryurikov does not see why the president should be greatly displeased with what Foreign Minister Andrey Kozyrev is doing. He said in a televised interview, prepared by the ITA and Interfax, that the rumors of Kozyrev falling out of the president's favor are groundless. Ryurikov emphasized that Kozyrev and Yeltsin cooperated "very closely" and Kozyrev carried out "very important" missions for the president.

Despite abundant criticism of his ministry's performance, Kozyrev is one of the most stable figures in the government. Interfax's sociopolitical analysis service came to this conclusion as a result of a poll of senior diplomats, political scientists and officials of state analytical services.

Most experts do not believe that Kozyrev is likely to quit the government any time soon. A minister since early 1990, he is one of the longest serving members of the government.

The probability of his resignation is estimated by the experts polled as 18 percent. This probability is likely to increase to 29 percent, they believed, if the tension between the government and parliament rises and will be as high as 47 percent if a confrontation occurs between Yeltsin and the State Duma.

The experts believe that Kozyrev's position may be influenced by political events abroad. If his Balkan policy fails, the probability of his resignation will soar to 66 feel percent, they feel. An increase of tension between Russia and the Baltic countries of Ukraine may also make his resignation more probable, 38 and 31 percent, respectively.

They also feel that his success in having the Bosnian crisis resolved or the sanctions against Iraq lifted will not enhance his position more stable, 19 and 22 percent, respectively, which is approximately equal to the status quo value of 18 percent.

The experts believe that Russia's foreign policy has been somewhat modified recently. The rating reflecting the degree of this change is 10.5 percent, or implies insignificant changes. Some changes followed the hardening of the U.S. and EU position vis-a-vis Russia. The rating of changes is also not very high, 12 percent. The experts feel that the adjustment of Kozyrev's line represents a more independent and consistent policy pursued by Russia.

Yerin, Grachev Survive Sharp Duma Debates

MM2211101994 Moscow IZVESTIYA in Russian 19 Nov 94 p 4

["Express Analysis of the Week" survey by IZVESTIYA Analytical Center: "Arguments of a Paratrooper for the Duma Sitting"]

[FBIS Translated Text] This week the "leadership" crisis was channeled into parliamentary debates. Very sharp debates, but entirely inoffensive from the point of view of the powers that be.

The latest appointments were made, and these did not cause any particular stir. Messrs. V. Chernomyrdin and A. Chubays placed "their" people in the appropriate posts, thus maintaining the existing balance of forces at government level.

The greatest attention, mingled with concern, in the capital's political and bureaucratic circles was focused on the proposed changes in the leadership of the "power" structures.

Despite its acuteness, the Duma debate about Mr. Yerin's department doubtless disappointed experts and those fond of parliamentary "spectacles." Because it was conducted in the style of "war games," once again demonstrating the clear supremacy of the executive in cases when it defends its positions quite consistently and competently. Naturally, diatribes by V. Zhirinovskiy, G. Zyuganov, and other subversives reverberated, and by the end of the sitting the internal affairs minister had used up the reserves of nervous energy that he had saved up for the matter in hand, and even started to get slightly irritated. However, in the end, only the decree "On Urgent Measures to Ensure Legality and Law and Order" was adopted, while the more pithy resolution was sent back for revision. The fierce speech by the Duma chairman, preceding the vote, to the effect that the minister is being given a last chance to put the situation right, leaves no room for doubt as to what is obvious and probable: There will be as many of these last chances as circumstances will allow. That is, the president.

The decree grew from a relevant decision by the committee headed by V. Ilyukhin, who is in the same party as Mr. Zyuganov. Subsequent analysis of the results of the vote may clarify the real positions of separate factions. But at first impression, the Communist Party of the Russian Federation—Agrarian Party of Russia bloc has not set itself the task of bringing about the minister's resignation at any price. Which indirectly confirms our recent conclusion: Unlike the Liberal-Democratic Party of Russia, the communists are trying to avoid a head-on collision between the opposition majority in the Duma and the executive power, which would be liable to result in the early dissolution of the Duma.

A seemingly completely different situation was shaping up with respect to the minister of defense, the campaign against whom in mass media of the most varied orientation is notable for its systematic buildup. Obviously, this is not just about, and not so much about real cases of corruption deep within and on the periphery of the military department (this evil is alas inherent in a great many components of the state apparatus), as about the growing antagonism between various "centers" in the military-political elite. As a rule, numerous leaks of "compromising material" from military circles themselves, where there is evidently fairly strong opposition to "Grachev's team," form the basis of the many relevant published items. We know that following his appointment in 1992, the present defense minister

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

formed a leadership whose nucleus comprised a group of "Afghans." Then the authority of 40th Army Commander B. Gromov significantly strengthened the prestige of the Russian military leadership during the settlement of the delicate question of the transfer of the Soviet Armed Forces to Russia's jurisdiction. But at present, a number of experts are recording the signs of certain distancing of the Gromov—Kondratyev (former deputy commander of the 40th army, now, like Gromov, one of the minister's deputies) group from Grachev and his immediate entourage. "Field observations" in conflict zones, particularly in Abkhazia, where General Kondratyev's actions have generated contradictory reactions from the sides, confirm this conclusion.

[FBIS Translated Text] Another possible source of dissatisfaction with the present Ministry of Defense leadership in military circles is the conflict with the border troops command, generated by the defense minister's attempts to take control of this structure, or at least the operation in Tajikistan.

The televisual demonstration of "Afghan" paratroop cameraderie did not remove the problem of A. Lebed for S. [initial as published] Grachev. Having won enormous popularity in the Army and outside it following the well-known events in the Dniester region, the general is continuing to display an independent disposition and an outstanding aptitude for trenchant metaphorical utterances. The popularity of the general, who is rapidly becoming a political figure, is constantly being stoked by the mass media, which testifies to the readiness of certain forces to play this political card if the right circumstances are there.

It is very characteristic that the leaders of both chambers of the Federal Assembly have avoided participating in the conference of the leaders of the Armed Forces, where the president and premier displayed special attentiveness to the professional concerns of the military. But A. Piskunov, deputy chairman of the Duma Committee for Defense, was not even given access to this event—an obvious reaction to the committee's tough stance in respect of the Ministry of Defense leadership. Right then it appeared more than likely that this specific committee's opinion could turn out to be important at yesterday's Duma sitting.

The day before, Pavel Grachev visited one of the Moscow units. Colonel Vladimir Kazantsev, commander of a paratroop brigade, who spoke straight after him, wanted to tell the following to the people's representatives "on behalf of the paratroopers": "I think that we will find the strength within us and we will be able to defend ourselves. This is not a threat, comrade defense minister, it is just a warning that things cannot go on like this."

The minister agreed with the opinion of his comrade in arms, adding that "the Army must not be used as a political instrument....because the Army possesses awesome weapons." It seems, however, that it is not only the parliamentarians who are being intimidated by "awesome weapons." In any case, the president was faced with a very difficult dilemma as to whether or not to punish him, or to let him off the hook.

At the time this edition of IZVESTIYA was going to print, Pavel Grachev was still in his post, and the paratroop brigades were in their stationing location.

The resignation of V. Kostikov, the president's press secretary, remains in the "zone of expectation" this week; his replacement is being sought intensively. The renewal of the corps of aides which has begun will continue.

By and large, it is believed that the results of this week will not give the president any reason for serious alarm. It appears that the crisis in the top echelons of power is slightly easing off. It is just that inflation is once again breaking into a gallop, eliminating hopes of the stabilization of the economy, which were about to take shape. But the government's summer declarations on this subject are not forgotten.

Grachev-Duma 'Dialogue' Proved 'Constructive'

MM2211095194 Moscow KRASNAYA ZVEZDA in Russian 22 Nov 94 p 1

[Article by Oleg Odnokolenko: "The Defense Minister and Deputies Found a Common Language"]

[FBIS Translated Text] Contrary to the expectations of the military department's numerous opponents, the "routing of the defense minister on the Duma rostrum" planned for last Friday [18 November] did not come off, to put it mildly. It should be pointed out that the situation in general got out of the frenzied people's control, and the dialogue turned out constructive and, as far as can be assumed, mutually useful.

It must, however, be remembered that previously too, particularly at the time when the question of the present military budget was being decided, the defense minister actively sought supporters among the legislators. For various reasons he was not heard at that time. But this time too it was necessary once again to begin the discussion with finance. Marshaling all the evidence, as the saying goes, Army General Pavel Grachev convincingly substantiated the fact that the Russian Army's morale and psychological climate, which is of such concern to deputies, is directly dependent on the actual monetary content of the military budget. The situation is such that at the present time only part of the funds has been transferred to the Ministry of Defense—which means that the Army is on less than starvation rations and the overwhelming majority of servicemen are eking out an existence below the poverty line.

At the same time the defense minister assured the people's elected representatives that, despite its dire situation, the Army remains battleworthy and is still ready to ensure the country's security and to repulse any

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

attack. It has to be thought that this argument finally broke even the most active deputies, particularly when Pavel Grachev reminded them that it was they, the legislators, who put the Army in such a humiliating position. But it is still possible to rectify the situation, if expenditure on the Armed Forces' upkeep is changed in the budget for next year.

...There can be no doubt that this time too each item of military expenditure will be adopted with a battle. But the fact that there has been constructive experience of great communication between the Defense Ministry and the corps of deputies inspires hope. At least, the Army is counting on this.

Poltaranin on Possible Merger of TV Stations

LD2111193594 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] Head of the State Duma Committee on Information Policy and Communication Mikhail Poltoranin (Russia's Choice faction) said he regarded the idea of merging two state TV and radio companies with understanding.

Poltoranin told Interfax that he believed that the Russian president had to take such a move only as a result of the financial difficulties. Poltoranin said that at least 2.5-3 trillion rubles would be required to maintain the two TV companies in 1995 while the draft federal budget proposed by the government provided for 1.5 trillion rubles for the media on the whole.

At the same time, Poltoranin said there were other ways out of the situation. He said he believed that the Russian TV and Radio Company, the second channel, could be strengthened financially and technically and the first channel could be broadcasted along with it. He proposed that in this case the Ostankino TV and Radio Company be transformed into an all-Russian public TV and radio company the control package of shares of which would belong to the state. The rest of its shares could be owned by other legal entities, he added.

Poltoranin said he believed that present Head of the Russian TV and Radio Company Oleg Poptsov could lose his post. (Poptsov has been heading the Russian TV and Radio Company since the moment of its foundation). Poltoranin said that those who were the founders of the democratic Russia, including Poptsov, now had to resist serious attacks. He said he believed that the power now belonged not so much to the president but to his apparatus which had begun strangling the reforms which could lead to a bad ending for the reforms.

Merger Plan: 'Political Mistake'

LD2111211394 Moscow ITAR-TASS in English 2031 GMT 21 Nov 94

[FBIS Transcribed Text] Moscow November 21 TASS—Russian leading reformist Yegor Gaydar said on Monday [21 November] that President Boris Yeltsin may make a big political mistake by giving the go-ahead to his plan to merge two major Russian television companies into one.

"The merger of two largest television channels in Russia will increase the monopoly of television broadcasting. This would be a step objectively aimed at restricting the freedom of speech" in Russia, Gaydar, leader of the Russia's Choice faction in the State Duma, told Russian Television on Monday.

The reaction followed President Yeltsin's statement made at a meeting with Russian top intellectuals on Friday that he intended to sign a decree to establish a single broadcasting company by merging the Ostankino Television Channel and Russian Channel Two into one television state-owned company.

"I think the president is being pushed to make a serious political mistake," Gaydar said.

Decision Will Not Be Rushed

LD2211100394 Moscow ITAR-TASS World Service in Russian 0818 GMT 22 Nov 94

[By ITAR-TASS correspondents Tamara Zamyatina and Yuriy Sizov]

[FBIS Translated Text] Moscow, 22 Nov (ITAR-TASS)—"The decision on the reform of state television will not be rushed, and will take account of the views of staff at the Ostankino Russian State Television and Radio Company and Russian Television," said Vyacheslav Kostikov, press secretary of the president of the Russian Federation, today.

We remind you that on 18 November at a meeting with intellectuals in the Kremlin, Boris Yeltsin announced the forthcoming merger of the two state TV channels and his intention to appoint a "very responsible person" to head the new structure.

The statement came as a bolt from the blue to Russian Television staff. The evening news bulletins on RTV on 21 November broadcast to the entire country the sharply negative attitude of managers and journalists at Russian Television toward the possible merging of their channel with the Ostankino channel. RTV's presenters recalled the role of Russian television in establishing Russia as a sovereign state, and the fact that on the night of 3-4 October last year, when the Ostankino State TV and Radio Company went off the air, it was RTV which informed citizens of the threat of a coup d'etat by the former Supreme Soviet.

However, economic realities must be taken into account alongside political factors, particularly the fact that in the conditions of a budget deficit it is increasingly difficult for the state to finance the operation of two television channels. In an interview with the ITAR-TASS correspondent, the president's press secretary

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Vyacheslav Kostikov stressed the active "offensive by commercial structures" on state television. In his view, "in the conditions of transition to the market, when the entire economy is being reformed, television cannot remain outside the sphere of change."

According to Kostikov, Boris Yeltsin is carefully studying a large number of schemes, sometimes mutually exclusive, for the reform of state television. His decision will proceed from the creation of "civilized relations between state TV and authority," Vyacheslav Kostikov said.

TV Chiefs Oppose Merger Plan

LD2211120894 Moscow ITAR-TASS in English 1132 GMT 22 Nov 94

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Transcribed Text] Moscow November 22 TASS—Obviously, both Russian state-run television companies, the Ostankino TV channel and Russian channel two, are not happy facing a plan to merge them into one. The reaction followed President Yeltsin's statement made at a meeting with Russian top intellectuals on Friday [18 November] that he intended to sign a decree to establish a single broadcasting company.

The merger of the two channels "has no future from both political and economic viewpoints", Ostankino's first deputy chairman Grigoriy Shmelev told TASS on Tuesday, adding that it will inevitably "reduce the field of democracy and information in Russia".

Speaking to TASS today, Anatoliy Lysenko, head of the Russian channel, expressed hope that "the president would conduct thorough analysis and listen to staff of both companies prior to taking the final decision on the reform of the state television".

On Monday, the staff of the Russian channel two sent a message to the president containing a proposal that instead of the planned merger, one of the two should be converted into a joint-stock company.

Paper Suggests Program Dropped To Appease Yeltsin

MM2211093394 Moscow TRUD in Russian 22 Nov 94 p 7

[Unattributed report: "They Decided Not To Upset the President"]

[FBIS Translated Text] The latest edition of "Top Secret"—on corruption in the Western Group of Forces—was due to have aired on Russian Television Saturday [19 November]. A few minutes before going to air, the announcer apologized to viewers and said that the program was, sadly, not ready....

Artem Borovik, who submitted the program on Wednesday [16 November], told a TRUD correspondent that this was the first example of political censorship in post-perestroyka television. But, since the program was aired in most of the country, the television officials were protecting only Moscow and the president, who lives there, from its "pernicious" influence. As is well known, the president has been very cross with the "small screen" of late....

Economic & Financial Issues

'Alarming' Fuel Situation To Be Examined

LD2211022494 Moscow ITAR-TASS World Service in Russian 2133 GMT 21 Nov 94

[By ITAR-TASS corresponent Oleg Velichko]

[FBIS Translated Text] Moscow, 22 Nov—Today [22 November], Oleg Soskovets, first deputy prime minister of the Russian Federation, will hold a session of the governmental commission for operational issues, at which will be discussed the Russian president's instruction to examine the alarming state of affairs in the fuel and power engineering complex and to eliminate the shortcomings in the export of Russian energy resources.

In an interview with an ITAR-TASS correspondent, Yuriy Shafranik, minister of fuel and power engineering of the Russian Federation, noted that the number of special exporters should be reduced to fifteen (at present, they have been cut from 30 to 18). At the same time, Vagit Alekperov, head of the Russian oil company "LUKoil", thinks that the complete abolition of the institution of special exporters will bring in its wake chaos to the energy resources market. Oleg Davydov, Russian Federation deputy prime minister, is speaking out in favor of reducing the export tariff from 30 to 15 ecu's per tonne of oil from 1 January 1995.

We recall that the commission for operational issues previously approved the proposal of the Ministry of Economics on increasing export quotas for oil to 7.5 million tonnes, including to 1.5 million tonnes for state requirements. A decision has also been adopted on cutting down supplies to 5.9 million tonnes of oil for the republics of the former USSR.

Duma Official on Pros, Cons of CIS Customs Union

LD2111205094

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1452 GMT on 21 November carries a five-minute program entitled "Mir Segodnya" [World Today] presented by Viktor Samarin.

Samarin begins by saying Ukrainian President Kuchman is on a five-day visit to the United States. Samarin says Ukraine will probably get the funds it wants from the United States, and the United States now prefers to deal

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

with each of the former Soviet Union countries separately, without taking into account their common interests.

Samarin then interviews Sergey Glazyev, chairman of the Russian State Duma Economic Policy Committee, on this issue:

[Glazyev] Of course, it is their sovereign right to conduct an independent economic and foreign policy, but certainly, when our CIS partners are bargaining with other countries, without Russia's participation, on the development of certain deposits into which the USSR had sunk big money, or on the formation of a special trading system, this is without doubt a blow to Russian interests. If the market is given over to foreign countries, it means that this market becomes closed to Russian goods producers.

I must stress that one must look at the other side of things as well—the interrelations of Russia with third countries, which are often detrimental to cooperation inside the CIS. Unfortunately, our government also often holds negotiations with the far abroad without taking into account Russia's own interests in the near abroad. For instance, there is the recent agreement on the control system for nonproliferation of rocket technologies signed by the Russian leadership, and what about cooperation on the aerospace complex inside the CIS, with Ukraine? According to our obligations, we should have first of all held consultations within the CIS, agreed on the general rules of the game, and only after that contacted any third countries concerning the system of export control.

Or, for instance, Russia's talks on joining GATT. If we join the General Agreement on Tariffs and Trade as a single country, as one customs territory, it means we must cross out the formation of a customs union. If a customs union is set up, the talks with GATT should be conducted by the whole customs union, not by one country. That is why, by intensifying the talks with GATT at present, we are thereby blocking our way to forming a customs union, which is first and foremost advantageous to us. It is advantageous to any CIS country that will join it, but first of all advantageous to Russia if we look at it, for the time being, only from the standpoint of our interests, simply because the wider the market, the greater the possibilities for Russian goods producers.

Oct Figures Show Increase in Industrial Output

MM2211101794 Moscow ROSSIYSKAYA GAZETA in Russian 19 Nov 94 p 3

[Report by A. Yevgenyev: "Not Every Plus Is a Plus. Industrial Production Rose Appreciably in October Compared With September But Inflation Soared at the Same Time"]

[FBIS Translated Text] The Russian State Committee for Statistics has drafted an up-to-the-minute report on the economic situation in the country in October based on the results of the first 10 months of the year.

In the period January-October GDP totaled 467.1 trillion rubles [R], down 15 percent on the same period last year. In October industrial production was 7.5 percent higher than the September level. If you exclude the seasonal factor and the difference in the amount of work time the rise looks even more impressive, at 9.5 percent. It is particularly significant in the food industry (128.5 percent), the electricity industry (128 percent), the chemical and petrochemical industry (110.9 percent), and the fuel sector (106.4 percent). However, in the first 10 months of the year the volume of industrial production was 22.4 percent down on a year ago. Including a drop of 18.4 percent in October.

In the period January-October R68 trillion in capital investment was utilized—74 percent of last year's figure. Significantly, whereas centralized sources of federal budget funding totaled 15 percent of the capital investment structure, enterprise funds accounted for 62 percent. Individual homes account for almost a sixth of the housing built.

With the end of the harvest campaign the preliminary results of the agricultural year can be summed up. Some 89.4 million tonnes of grain (initially recorded weight) was threshed on all categories of farms, while 2.4 million tonnes of sunflowers were procured for seed along with 13.6 million tonnes of sugar beets (industrial), 33.1 million tonnes of potatoes, and 8.8 million tonnes of vegetables. The bulk of the grain, sugar beets, and sunflowers were grown by agricultural enterprises (87-96 percent), while the bulk of potatoes and vegetables were grown on the population's individual subsidiary plots (68-88 percent). The amount of grain, sunflowers, and vegetables produced by peasant (individual) farms rose from 5.2 to 5.7, from 9.9 to 11.4, and from 1 to 1.4 percent respectively. Nonetheless the gross harvest of the main crops proved lower than in the past. Compared with last year 18 percent less grain was harvested, while the harvest of sunflowers, vegetables, and potatoes was down 10-12 percent, and almost half the amount of sugar beets (industrial) was grown. In livestock farming milk production remained relatively stable, while meat and egg production is down.

The trade surplus in trade with countries of the far abroad increased even further ($15.3 billion as opposed to $13.3 billion a year ago). However, both exports and imports increased (up 8.8 and 4.8 percent respectively).

As expected, the fall in the ruble rate of exchange had an appreciable impact on inflation. In October consumer prices rose by 15.1 percent. The speculative rise in prices affected primarily major industrial cities in the Northwest, Central, and Urals regions, where the market is saturated with foreign goods.

The total number of unemployed in October increased 1.3 percent compared with September to total 4.9 million now.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The population's real disposable incomes increased 13 percent over the year, while average wages increased in October by 8 percent to stand at R273,000 a month.

Economics Minister: Reforms To Ease Business Taxes

LD2111230494 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] The Russian Government's new three-year economic program being developed will provide for a stage-by-stage taxation reform to lessen the tax burden endured by businesses.

"The reforms' main goal will be to lessen the tax burden of enterprises while comparatively increasing the tax burden of the people," Economics Minister Yevgeniy Yasin told the Financial Information Agency.

Yasin pointed out that the taxation legislation will be amended gradually, and the changes will mainly be "adjustments to the existing legislation."

"We have already created the basics of a taxation system which is to stay, and no large-scale changes must be brought about as taxes do not stand haste," he added.

At the moment, the government is "on the final stage of working" on the economic program. However, its accomplishment may be delayed by new adjustments necessitated by the latest events in the country's economy.

Minister Insists Agriculture 'Needs State Support'

MM2111164994 Moscow SELSKAYA ZHIZN in Russian 19 Nov 94 p 1

[Interview with A.G. Nazarchuk, Russian minister of agriculture and food, by unnamed correspondent "on the eve of Agricultural and Processing Industry Workers Day"; place not given; carried under the general heading: "Sincere Greetings to You, Peasant!"]

[FBIS Translated Text] [SELSKAYA ZHIZN] In what spirit do you greet the agricultural workers' professional holiday, Aleksandr Grigoryevich?

[Nazarchuk] What kind of feeling could you have about a holiday that the country has marked for several decades now as a tribute of respect for those who work on the land, who produce the major part of the material needs which define the level of the people's prosperity? A festive spirit, of course. This day is especially dear to me, since my entire life has been linked to the countryside. I know the life of the countryside at first hand, its needs and aspirations.

Let me take this opportunity to thank sincerely all Russia's peasants and all the working people of the countryside for their labor, for their colossal efforts which have enabled us to largely guarantee the people supplies of food even in this difficult year. I sincerely wish farmers and livestock breeders, managers and specialists, scientists—everyone who cherishes the future of the Russian countryside—happiness, health, prosperity in the home, joy, and success in every way.

[SELSKAYA ZHIZN] Aleksandr Grigoryevich, you took up your senior post in the Russian government only quite recently. Nevertheless, as leader of the State Duma Committee for Agrarian Questions, even before that you were actively involved in the affairs of the agro-industrial complex. Are you able to say something today about the preliminary results of the agricultural year now drawing to a close?

[Nazarchuk] Yes. The year is still continuing, harvesting is still under way in some places in the south, but the preliminary results of agricultural activity look like this. By comparison with 1993 a decline in gross output volume of somewhere in the region of 8 percent is expected. Evidently roughly 15 percent less grain will be harvested. There will be fewer potatoes and sugar beets. Some 17 percent less meat and 16 percent less milk will be sold.

The sector's financial status is very difficult. Today farms owe machine builders, the chemical industry, power workers, and other partners roughly 13 trillion rubles [R]. Among these debts the heaviest is in unpaid wages—R1 trillion. True, we too are owed by enterprises in other sectors. Nevertheless, around 30 percent of the agro-industrial complex enterprises which produce output will be unprofitable.

The current year has confirmed yet again that where people look for ways of resolving the countryside's problems, the results are different. For example, in Tataria almost 27 quintals of grain have been harvested from every hectare, and on two farms the yield exceeded 70 quintals per hectare! This was achieved thanks to support for the countryside from the authorities. And I have just returned from Udmurtia, where the results are also pretty good. Also thanks to all manner of help from the government and the Supreme Council.

These facts yet again confirm that the countryside needs state support. My colleagues and I are not against reforms. We are for reforms, but reforms which preserve production forces and the material and technical base—which today is collapsing—and which preserve cadres, whose skill level, as it is, is declining.

When I agreed to join the government I stated: While I am here, I will defend the interests of the countryside, and I will defend the interests of country people. The country must not be allowed to lose its food security. I believe that our society will eventually realize this, and the countryside will grow in confidence.

Chubays Addresses Conference on Foreign Investment

LD2211122794 Moscow Russian Television Network in Russian 0530 GMT 22 Nov 94

[From the "Vesti" newscast]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] A session of the Council for Foreign Investment has been held at the President Hotel. Attending on the Russian side were first deputy premier Chubays, government deputy chairman Davydov, Central Bank acting chairman Paramonova, Economics Minister Yasin, and Finance Minister Panskov, as well as representatives of the customs and tax services, the Anti-Monopoly Committee, and the Property Committee. Several major foreign companies keen to invest in Russian industry also took part in the session.

Over the current year over 10 presidential edicts have been signed which were intended to overcome obstacles to both Russian and foreign investment. However, for several reasons - tough tax legislation, the unstable economic situation, and the absence of guarantees - foreign investors have been in no haste to invest their money in the Russian economy.

Since the signing of an agreement on the reciprocal encouragement and protection of major investment with 25 countries, foreign investors have acquired the necessary guarantees. Agreements on avoiding dual taxation have also been signed with several countries, in particular, the United States. So far, the Russian government has passed a decision on implementing a most-favored-status system for foreign investors. Specifically, enterprises set up since 1 January 1994 with the participation of at least $10 million worth of foreign capital are exempted from tax on profits.

[Begin Chubays recording] There is extremely tough competition for foreign investment throughout the world today. Countries compete fiercely with one another, using all available resources to attract foreign investors. Essentially, we are now joining this competition. From this point of view we are, as yet, lagging far behind. For example, in 1993, the volume of foreign investment in Greece was $7 billion while in Russia it was, at the very most $1.5-2 billion.

And as soon as we really join the struggle to attract foreign investment we come up against the fiercest resistance from within the country. In effect, a concentrated propaganda attack has been launched to date by those forces that are trying to stop this, by those that are trying to use the traditional Soviet-Stalinist accusation of the mercenary nature of CIA agents and the agents of imperialism. Much of the mass media has joined this campaign - and is evidently very well paid and well prepared.

For us the most important thing here is to do things for political effect and we are little concerned by the false accusations levelled against us. What is far more important is the point of the issue. And the point of the issue is simple. Tens, hundreds of thousands of workers in Russia will get jobs and local budgets will receive profits. The Russian federal budget will get some of the revenue. Russia will acquire up-to-date technology and we will get the opportunity to improve the life of Russians.[end recording]

Time has shown that the flow of capital into the Russian economy is essential. However, the question remains as to whether the flow of foreign investment will just stop at the level of the so-called priority industries. In particular, the list of companies keen to invest money and whose representatives attended the sitting, directly points to this.

[Begin recording] [Aleksandr Ivanenko, deputy chairman of the State Committee for the Management of State Property] The situation with the priority sectors of industry is the following: The foreign investor is permitted to participate in privatization in these sectors of industry after a decision is taken by the government on privatization of a given enterprise and in that decision the government determines that the foreign investor can participate in the privatization of that enterprise, and that its participation threatens no negative consequences. As a rule, foreign investors indeed have no negative consequences for Russia. They have only positive consequences: they provide capital; they provide experience; they provide new technologies and we believe that as much foreign investment in Russia as possible should be attracted. [end recording]

Says More Investments Possible

LD2111153994 Moscow ITAR-TASS in English 1436 GMT 21 Nov 94

[By ITAR-TASS correspondent Vladimir Taranov]

[FBIS Transcribed Text] Moscow November 21—"Russia could get dozens of times more foreign investments than it has now," Anatoliy Chubays who was recently appointed first vice-premier, told a news conference on Monday after the second meeting of the consultative council on foreign investments in Russia.

He noted that a decision was taken to set up a permanent working committee of the Council for Foreign Investments and the Russian Centre for Support of Foreign Investments in order to stimulate western investments in the Russian economy.

Chubays said that, right after the end of the Council meeting, he telephoned Russian Premier Viktor Chernomyrdin, now on a working trip in Kuwait, and informed him of meeting results.

According to Chubays, Chernomyrdin positively appraised the meeting results and decided to hold a special government meeting in the near future to draft an action plan in order to improve the investment climate in Russia.

The vice-premier informed journalists that he called attention of representatives from several major western companies who participated in the meeting, to the inadmissibility of anti-dumping measures of the EU countries against Russia losing several hundred million dollars due to this practice.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Chubays admitted that under the present difficult economic conditions, export for many Russian enterprises which lost their markets in Russia, is the question of life or death. Any bans for them mean closures and lockouts of workers.

The vice-premier proposed that western companies should display understanding on this question.

A communique was adopted on the results of the second consultative council meeting. It points to the need for creating a favourable investment climate in Russia, improving the legal basis in the sphere of international investment cooperation (including tax and customs legislation), regulating banking activities and currency operations and for creating an information system for foreign investors on conditions and possibilities of investments in Russia.

Chubays: Yeltsin Hard Currency Edict May Be Revised

MK2211113094 Moscow SEGODNYA in Russian 22 Nov 94 p 1

[Unattributed report: "President's Edict on Hard Currency Accounts May Be Altered"]

[FBIS Translated Text] Boris Yeltsin's edict directing that legal entities cannot have more than one hard currency account may be revised within the coming three weeks, First Vice Premier Anatoliy Chubays has said. He has pointed out that this restrictive point in the edict was based on a number of objective reasons.

Review on Limit on Hard-Currency Bank Accounts Likely

LD2111174794 Moscow INTERFAX in English 1425 GMT 21 Nov 94

[FBIS Transcribed Text] President Yeltsin's decree obliging the legal entities to have not more than one hard-currency bank account is likely to be reviewed within three days, said First Vice Premier Anatoliy Chubays.

He told the Consultative Council on Foreign Investments in Moscow on Monday that the limitation figuring in the presidential decree, so much criticized by Russian and foreign entrepreneurs, was motivated by a number of objective reasons, among them massive tax evasion and the non-return by many exporters of the hard currency gained from exports.

Some experts believe that the worth of hard currency, deposited by Russian enterprises in foreign banks, is likely to exceed $1.5 billion in 1994.

Acting President of the Central Bank Tatyana Paramonova told the Financial Information Agency that the presidential decree had played a positive role as it considerably increased the federal budget's hard-currency revenues during the past few months.

Despite this, the Central Bank, the Finance Ministry and the Tax Inspection Agency will work on improving the system of control over the tax payers' bank accounts, without applying any administrative or restrictive measures to them, said Paramonova.

Military Issues

Ministry Denies Involvement in Chechen Fighting

LD2211045994 Moscow ITAR-TASS World Service in Russian 2232 GMT 21 Nov 94

[By an ITAR-TASS correspondent]

[FBIS Translated Excerpt] Moscow, 22 Nov—Subunits of the Russian Federation Ministry of Defense have not taken any part and are not taking any part in the events in Chechnya. At this moment, there are no reports that subunits of the Russian defense department are being moved in the regions adjacent to Chechnya, the duty officer of the Information and Press Directorate of the Russian Federation Ministry of Defense reported to ITAR-TASS today. [passage omitted]

Possible Conflict Resolutions Discussed

LD2111194194 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] Deputy Director of the Department on Territories under the Russian president's administration Vadim Pechenev told Interfax today that there seemed yet to be no possible way for resolving the conflict in Chechnya without using force. At the same time, he stressed that Moscow would not try to settle the problem by utilizing Russian troops.

Pechenev said he had information proving that none of the conflicting parties could definitely get the upper hand in military actions in Chechnya at the present moment. However, he added that the opposition Interim Council had gained some advantage.

Pechenev said he believed that such terms as "the opposition" and "the president" should not be used when assessing the conflict in Chechnya. He said there was not a single document recognizing the legitimacy of the regime of Jokhar Dudayev.

Another high-ranking official of the Russian president's administration said in an interview with Interfax that it was high time for the federal power to take a clearer stand towards the conflict and the regime of Dudayev. He said he believed that a clear and firm stand of the federal power could help the Chechen people to determine its own position and put an end to the bloodshed.

Support Messages for Grachev Organized by Ministry

MM2111153494 Moscow KOMSOMOLSKAYA PRAVDA in Russian 19 Nov 94 p 2

[Article by Igor Chernyak: "If Grachev Does Not Surrender..."]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] "Whichever military unit I go to there is support everywhere.... Look: Here is a sheaf of decrypted messages—from all units and military districts and from labor collectives. Everyone to a man supports the minister," Pavel Grachev said in an interview on the "Itogi" program. It looks like the general is yet again indulging in a bit of petty deception. Radio Liberty claims that the sending of encrypted messages supporting Grachev to the president and the loyal KRASNAYA ZVEZDA from districts and units was organized by the Defense Ministry leadership itself. Although it is customary in the Army to carry out commanders' orders unquestioningly, many in the military department were struck by the loyal message from Moscow Military District Commander Leontiy Kuznetsov, one of the most authoritative Russian generals. If even his arm has been twisted....

However, there was no escaping some embarrassing moments. Certain cunning military commanders even amused Boris Yeltsin himself, who enquired how one of these encrypted messages could have been signed not only by a high-ranking general but also by his two daughters. According to information from Radio Liberty, deputies have another message in which another general mockingly reports: According to Defense Minister Pavel Grachev's order, I report my support for Pavel Grachev.

They have had their joke and that's that: It will be obvious that, despite all the Duma's attempts, the resourceful minister will be staying in his office with his globe for a while yet. That means, as he promised, that the time for "showdowns" with Generals Lebed and Semenov (commander in chief of Ground Forces—editorial office note), who are maybe the only ones among the entire multitude of brave Russian generals to have dared not to hang on Grachev's every word, is coming very soon.

Army Funding Spread Too Thin, Needs Targeting

MM2211101194 Moscow ROSSIYSKAYA GAZETA in Russian 22 Nov 94 p 3

[Report by Vladimir Seledkin: "Do Armed Forces Have Any Force? In Event of War Defense Minister Promises To Retreat to Vladivostok"]

[FBIS Translated Text] The noise of the aircraft engines penetrated the plane's hold, and the parachute drop of airborne assault fighting vehicles was on. A few minutes later they were on the ground opening fire straightaway against the "enemy." While new parachutes could be seen in the sky....

Unfortunately, this image of large-scale troop exercises is a thing of the distant past. Today a melancholy silence reigns at the test ranges. As Army General Pavel Grachev, defense minister, admitted in his appearance before State Duma deputies, the Armed Forces are experiencing an acute shortage of fuel. Hence aircraft are unable to fly and ships unable to out to sea to fully rehearse their missions.

The reason? No funds, the defense minister said. From the State Duma rostrum he predicted the collapse of the Army if parliament ratifies the federal budget for 1995, the draft of which allocates 45 trillion rubles [R] for defense needs. With appropriations like this, the defense minister believes, the Army will simply collapse. He even promised deputies that he would retreat to Vladivostok if a new war were suddenly to break out.

Maybe the prospect of finding themselves in trenches in the middle of the Ussuri taiga had an impact on the parliamentarians in making them prefer not to ask the speaker some ticklish questions. That was a shame. It would have been very interesting, for instance, to hear how the defense minister explained his complaints about the draft budget submitted to the government. Hitherto it had somehow been implied that Pavel Grachev would also be a member of the government, which is why his policy of distancing himself from the actions of the current government was not very clear.

"It turns out," Aleksey Arbatov, member of the State Duma Defense Committee, told me in conversation, "that parliament has to take responsibility and decide whether to pass the budget and subsequently be accused of destroying the Army, or whether to increase defense spending to the level demanded and thereby destroy the entire federal budget."

The military department is insisting on the appropriations being increased by 150 percent. In Aleksey Arbatov's opinion, even this would not be enough maintain a modern, well-equipped, combat-capable Army of 1.7 million men, as is planned for the end of 1996.

"The United States," my interlocutor noted, "spends $240 billion a year on its Armed Forces, which number around 2.5 million men, including civilian personnel. What is R45 trillion? At the market rate it comes to $15 billion. Given that our prices are today essentially close to world prices—and in certain categories even higher—that is almost a 20-fold difference! Providing our Army with everything it needs will require a fivefold, if not 10-fold increase in defense spending."

It is not hard to guess how all this will end, if you look at the draft budget, where the total revenue side is R144 trillion, while the expenditure side is R226 trillion. Should people in uniform be given all their funds? What about those who are plowing, sowing, smelting metal, or teaching children? After all, they will not get a kopek in this situation.

[FBIS Translated Text] The situation in which the Russian Armed Forces in their current and planned numbers will find themselves at this level of appropriations is no better. They will simply turn into an army of the Crimean War era of the last century, because they will be

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

forced to be put out to grass. Hardly any Russians will be gratified by the prospect of a hungry, ill-shod, and ill-clothed Army whose soldiers have to dart around looking for something to eat. Those kinds of "defenders" would be scarier than the enemy.

What is the solution?

We need painful but necessary measures to implement radical change in the Armed Forces, Aleksey Arbatov believes. To this I would like to add that there has been fruitless talk about military reform for some years now. It transpired at the recent conference of the Defense Ministry leading staff that a concept for military organizational development is only starting to be elaborated, and, God only knows when it will appear. For the time being, all sorts of things are being presented as military reform—various organizational and staffing measures which were to have been carried out anyway, and the spasmodic attempts to switch to new methods of manpower acquisition, training, and education. For instance, the question of introducing the institution of regimental padres—who, military reformers believe, should strengthen the morale of Christian soldiers—is being discussed in all seriousness.

But the Army basically remains the same as it has been for many years. There is still a desire to have in every village a regiment whose officers' families suffer owing to a lack of housing. Military colleges are still training thousands of specialists who then try to move into civilian life at all costs. Soldiers are still concerned about their facilities, and are repairing their barracks, whose comfort levels are comparable with the lifestyle of cave-dwellers.

Under these circumstances the funds allocated for defense purposes will be simply spread thinly over all the Armed Forces. They will be instantly consumed and the Armed Forces will again turn their hungry eyes to the government.

The country's economic potential persistently requires that we abandon the obsolete model of the Soviet Army with its gigantomania, cumbersomeness, and cult of quantitative indicators. We now need to define priority military programs on the basis not of purely departmental interests, but of the strict expediency of safeguarding an adequate defense capability for the state and the need for emergency decisions in this sphere. Targeted investment of financial and material assets should be accordingly arranged so as to ensure that they are not spread out through innumerable channels, but are focused in the most important areas. The main thing is not to waste time. Each day we spend passively waiting only compounds the difficult position in which the Russian Armed Forces now find themselves.

In the assessment of most Defense Committee members, Aleksey Arbatov noted, the state of affairs in the military department is unsatisfactory.

Some may find this judgment excessively harsh, but it is time to face up to the truth and stop consoling ourselves with dangerous illusions. Otherwise we may indeed eventually have to retreat to Vladivostok.

Defense Industry Seen as Struggling To Survive

MM2211110994 Moscow KRASNAYA ZVEZDA in Russian 19 Nov 94 p 4

[Unattributed report: "In the Dry Language of Figures"]

[FBIS Translated Text] Specialists of the Ministry of Economics have made a forecast of the Russian Federation's socioeconomic development for 1995. In their opinion, "Russia has approached the lower limit of the economic slump, and next year could be a turning point in the Russian economy." A significant slowing up of the rate of decline is planned at enterprises of the machine-building complex—from 45 to 12-14 percent, and from 40 to 15-20 percent in machine building and metal-working as a whole.

While not disputing these figures in general—although for umpteen years not a single government forecast has come even approximately true, as confirmed by budget implementation indicators (see table)—we shall venture to doubt merely the optimistic tone of the report. For not all the high-tech sectors will survive such a "sharp" slowing up of the rate of decomposition. According to data of the League To Promote Defense Enterprises, during the years of the reforms the volume of production has fallen by a factor of 10 in aircraft building, by a factor of more then 15 in the munitions sector (this includes all domestic chemicals, television, radio, etc.) [as published], and by a factor of 20 in the electronics industry. A single drop will suffice for a complete breakdown. The drop promised by the Ministry of Economics?...

Federal Budget Implementation Indicators for January-September 1994

[In the following table column "a" represents the budget for 1994; column "b" the budget for the first nine months of 1994; column "c" the funding provided during January-September 1994; column "d" the planned figure; column "e" the actual figure; and column "f" fulfillment (percentage points)—as published]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

				Proportion of expenditure in Jan-Sep		
	a	b	c	d	e	f
National economy (total)	19,627	12,982	8,204	10.4	8.9	- 1.55
Conversion budget fund	737	565	392	0.5	0.4	- 0.03
Conversion investment funds	1,400	500	400			
Science	4,946	3,101	1,856	2.5	2.0	- 0.48
For defense, etc.	40,165	25,531	16,471	20.5	17.8	- 2.69
Total expenditure	194,495	124,813	92,699	100.0	100.0	0.00
Total revenue	124,477	75,289	46,885	60.3	50.6	- 9.74

Army Problems Need Solutions, Not Scapegoats

MM2111123594 Moscow KRASNAYA ZVEZDA in Russian 19 Nov 94 p 2

[Commentary by observer Aleksandr Golts under the "Topic of the Week" rubric: "Female Nature of Russian Policy Has Exhibited Itself in Relation to the Military"]

[FBIS Translated Text] To be honest I am pretty skeptical about attempts to isolate the traits that determine the Russian national character. It is too variegated. But events in the past week have made me believe that those who think that Russians, regardless of sex, have a woman's perception of reality, one based more on the emotions, are not so wrong. And if that does not apply to all of them, it certainly does to the politicians. This has been confirmed, strange though it may seem, by discussion in society of the problems of the Army, as the irritated statements regarding the situation in the Armed Forces which I have heard and read about in recent days are simply painfully reminiscent of an everyday situation which virtually everyone of us has had occasion to observe in which a woman, when she encounters a problem she cannot resolve, transfers her irritation to whoever in her eyes is the "cause" of the problem. Something similar is happening, in my view, in the approaches of politicians and society itself to the problems of the Armed Forces. The main charges now raining down on the leaders of the Defense Ministry may have something to do with political maneuvering, with attempts to oust certain people from the presidential team and replace them with others, but they have nothing to do with the Army's real problems.

The crux of the matter is that politicians have found themselves in a kind of intellectual impasse here. It is clear to anyone that the Russian Army needs reforms. And it is no secret either what kind of reforms they are—they clearly emerge from the statutes on military doctrine. The country needs fewer personnel, but it also needs an Army that is highly organized, well-equipped, and capable of ensuring reliable defense. And what you need for that is no big secret either. The whole problem revolves around where you get the resources to modernize and create a single entity out of the components of the huge outdated military machine bequeathed by the Soviet Union. After all, the Army, or at least an army which wishes to remain within the framework of a democratic society, has no resouces other than those which come out of the budget.

And that army today is a heavy burden on our economy. But expenditure on the Army can be reduced in the future only if it is increased severalfold right now. If, for example, funds are found to enable those who can be discharged into the reserve actually to be discharged. If the opportunity arises not to check the recruitment for military service of enlisted ranks and NCOs on a contractual basis, as the Ministry of the Economy intends, but, on the contrary, to expand it. Without extra resources it is impossible to carry out the long-overdue structural reorganization of the Armed Forces. Finally, resources are essential to ensure that the Army is equipped with modern weapons and does not fall behind in scientific and technical terms.

But the impasse here is that the state is not in a position to provide those resources today. I do not believe I will be mistaken in supposing that the sum required for real reforms in the Army exceeds many times over the 45 trillion rubles [R] included in the draft budget for 1995. This discrepancy is clearly realized by politicians too. Unable to propose a real solution, they rush to seek out "extremists" on whom they can pin responsibility. But is there a dignified way out of this impasse?

[FBIS Translated Text] I think there is. And it is pretty graphically demonstrated, strange though it may seem, by discussion recently launched across the Atlantic. Incidentally, in the United States they continue to regard the Armed Forces not as a burden on the state but as the basis upon which the country is able to pursue an effective policy. Aware of this, congressmen started discussing the decline in the U.S. Army's combat readiness created by inadequate financing. There was an instant response by the administration: In a letter to Congress Secretary of Defense William Perry explained in detailed and well-argued fashion where and why the shortage of finance arose and how to avoid it in the future. And than a specific and relevant discussion of absolutely specific programs got immediately under way.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

There is discussion of where savings can be made and where they cannot. For example, Washington thinks that it is impossible in principle to make savings on personnel's pay. It is better to speed up somewhat the withdrawal of troops from those regions abroad (they have the the Persian Gulf and Haiti in mind) where they have carried out their mission. It is also intended to reduce somewhat expenditure on the combat training of individual combined units. Without going into detail, I would like to draw attention to the most important thing for the purpose of this discussion. Politicians are offered alternatives from which they must choose priority areas. They must choose and thereby assume personal responsibility for the Army's combat readiness and the country's security. Therein lies the legislators' true role.

I don't want to appear a pessimist, but I would suggest that Russia does not have, nor will it have soon, enough money to carry through all the military reforms quickly and simultaneously, that is to say, in the most painless way for the Army and society. Let's be honest, these reforms (like all the other reforms in Russia) will proceed slowly and painfully. That's why the main question should be not "who is to blame?" but "what is to be done?".

What is to be done, not in general, but this year and next year? Maximum effort and priority financing must be directed toward solving such a task. It is more difficult for the military to do this themselves: For them it is natural to strive to maintain high standards in all areas. And it is precisely the job of the political leadership to determine what is primary and what secondary. But therein lies great responsibility—and not just responsibility for the country's security. Determining priorities means causing considerable discontent on the part of a considerable number of people both within the Army and outside it.

Given that all Russian politicians are already thinking in terms of the upcoming elections, no one is keen to assume resonsibility for the reforms in the Armed Forces. It is therefore far safer to lambast the military department for resisting reforms. The only thing is that this won't bring any benefit to the country, the benefit everyone wants.

Japanese Defense Official Received for Talks

LD2211121594 Moscow ITAR-TASS in English 1133 GMT 22 Nov 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow November 22 TASS—Asia-Pacific security issues and prospects for possible contacts between the armed forces of Russia and Japan were discussed here on Tuesday [22 November] during a meeting between Colonel General Vladimir Zhurbenko, first deputy chief of the General Staff of the Russian Armed Forces, and Naoaki Murata, head of the Defence Policy Department of Japan's National Defence Agency.

"Divergences of the sides' views on a solution to Asia-Pacific security problems persist but the talks make it possible to find points of contact", Zhurbenko said at the close of the meeting.

Zhurbenko did not specify the subject of the talks, pointing out only that a possible visit to Russia by Tokuichiro Tamazawa, head of Japan's National Security Agency, and the possibility of his meeting with Pavel Grachev were also touched upon during the conversation. However, it is so far too early to speak about a specific date. The question is to be decided upon later, Ahurbenko said.

A Japanese delegation led by Mr Murata arrived in Russia to attend a three-sided Russian-American-Japanese forum on Northern Pacific security issues.

Later in the day Zhurbenko is due to give a luncheon in honour of the Japanese delegation. The unofficial exchange of views on matters of mutual interest will be continued during the luncheon, he said.

Federal Assembly

Duma Ratifies Treaty With Latvia

LD1811163694 Moscow ITAR-TASS in English 1535 GMT 18 Nov 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow November 18 TASS—A treaty between Russia and Latvia on legal protection and legal relations on civil, family and criminal cases was ratified by the State Duma on Friday [18 November]. The document envisages equal legal protection for citizens of the contracting parties in their territories regarding personal and property rights.

The document regulates the procedure of citizens' turning for legal protection, exemption from of juridical expenses, transfer and reception of documents and materials, acknowledgement and enforcement of court decisions. The latter is of special importance as decisions of Russian courts are not enforced by organs of foreign states without the existence of state treaties.

The treaty provides a legal basis for cooperation of Russian judiciary bodies with similar institutions in Latvia.

The document also envisages juridical aid in criminal cases. In this connection the Russian Federation and Latvia pledged themselves to refer to each other documents on juridical procedure and fulfil instructions for questioning witnesses, injured parties, experts, defendants, making examinations, conducting investigation, transfer of material evidence and valuables obtained as a result of crime and presenting documents connected with criminal proceedings.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kokoshin Briefs on Strategic Force, Nuclear Policy

MK2211112094 Moscow NEZAVISIMAYA GAZETA in Russian 22 Nov 94 p 1

["NG" report under the "In Brief" rubric: "Andrey Kokoshin on Russia's Nuclear Forces"]

[FBIS Translated Text] A discussion of the problems of Russia's strategic nuclear forces has taken place in the State Duma. The keynote report was made by Andrey Kokoshin, Russian Federation first deputy defense minister. Discussed in detail were priority areas in the development of all the three components of Russia's strategic nuclear forces, and questions of a new Russian nuclear policy. Andrey Kokoshin pointed out in particular the special importance of developing systems for the combat control and command of Russia's strategic nuclear forces, and of enhancing the degree of their reliability and stability should there be combat options in the course of events.

Grachev Resignation Issue Deferred Until Jan

MM2111143594 Moscow ROSSIYSKIYE VESTI in Russian 19 Nov 94 p 1

[Article by Pavel Anokhin: "Defense Minister Addresses State Duma"]

[FBIS Translated Text] On 18 November probably the main event in the State Duma was "government hour," with the report by Russian Defense Minister Pavel Grachev "On the Morale of the Russian Federation Armed Forces." The day before the military minister's long-awaited contact with the deputies was one of intense behind-the-scenes diplomacy and ostentatious political maneuvers. On visiting the assault troops, Pavel Grachev meaningfully stated that he did not intend to surrender, although some military commanders had made public threats. As a result, the unanimous view the Duma deputies had evidently held of the Afghan war hero's activities as defense minister took a severe knock. So only nine of the 16 committee members attended the State Duma Defense Committee session which was supposed to come up with a final position in the assessment of the prevailing situation in the Army and Navy and the current defense minister's role in it. Only five of them were unequivocally in favor of Pavel Grachev's resignation; the rest opted to return to the matter some time next January, following a detailed study of the state of affairs in the Armed Forces.

Your ROSSIYSKIYE VESTI correspondent learned that Pavel Grachev proposed a meeting with Sergey Yushenkov, chairman of the State Duma Defense Committee, in order to discuss the problems face to face. This eased the minds of many Duma deputies who had repeatedly suggested to Pavel Grachev that he have such a meeting in a calmer atmosphere.

Nonetheless, in their draft decree the defense committee members did say that morale in the Army and Navy and educational work in the forces were unsatisfactory. "The State Duma believes," the document says, "that the unsatisfactory state of educational work in the Armed Forces is due not only to mistakes by the Russian Federation Defense Ministry leadership, but also to the absence of a unified concept of the organizational development of the Armed Forces and civilian control over the army and bad cadre policy."

The deputies recommended that the Russian president form a state commission to study the state of the country's defense capability, with a Federal Assembly deputy on it, to determine a range of measures on the improvement of the structure and combat readiness of the Armed Forces and on suitable cadre reinforcements for the Russian Federation Defense Ministry leadership. Moreover, they proposed that Boris Yeltsin form an organ of state political control over the Russian Armed Forces.

CIS Interstate Economic Forum Previewed

LD1911090594 Moscow ITAR-TASS in English 0840 GMT 19 Nov 94

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Transcribed Text] Moscow November 19 TASS—The first joint session of the presidium and collegium of the CIS Interstate Economic Committee, due to be held here today, will discuss candidates to the post of chairman of the collegium, as well as a number of documents, aimed at a further development of relations between the CIS member states.

The presidium and the collegium will discuss, in the first place, the draft customs legislation and common methods of customs statistics of the CIS member states. Much attention will be devoted to the social and labour issues. Specifically, the draft agreement on cooperation in the sphere of labour protection includes coordinated policy in this sphere, the use of single standards of labour safety and coordinated decisions on the creation of effective systems of individual and collective labour protection during the implementation of interstate programmes.

Russia will submit for discussion draft regulations on the creation of an interstate fund for helping refugees and forced settlers. Authors of the document believe that the main tasks of the fund will include the accumulation of financial, material and technical resources for helping refugees and forced settlers, for financing and crediting migration programmes. A major part of the draft document deals with working out mechanisms, aimed at helping the CIS states to resolve problems, connected with providing proper living conditions for refugees and forced settlers, and with protecting their civil, economic and social rights.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Republic of Kazakhstan will submit for the consideration of the meeting a draft agreement on the procedure for investigating accidents at working places, while workers are away from their country of permanent residence. The draft document includes a provision, under which cases of grave group accidents, especially those which involve the loss of life, should be investigated with the mandatory participation of a representative of the enterprise, where the victim of the accident is a permanent worker. It is planned to introduce a single form of the act of investigation of accidents.

Two items on the agenda of the meeting deal with the problem of preventing emergency situations. Participants in the meeting will discuss a draft agreement on cooperation in organising and holding search and rescue operations, connected with civil aviation flights. In accordance with a resolution of the CIS Council of Heads of Government, the meeting will discuss the creation of the CIS corps for eliminating consequences of emergency situation of the natural and technogenic character, as well as of an interstate centre for training specialists for it.

Participants in the meeting will discuss as well a number of issues dealing with the fulfilment of the long-term plan of the integration development of the new commonwealth for 1994-95 and the celebration of the 50th anniversary of the victory in the great patriotic war. Documents, adopted by the Interstate Economic Committee, will be submitted for the approval of the CIS Council of Heads of Government.

Regional Affairs

Cossacks Form Military Force in Stavropol Kray

LD2111133394 Moscow ITAR-TASS in English 1244 GMT 21 Nov 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[FBIS Transcribed Text] Stavropol November 21 TASS—Cossacks of the Stavropol territory set themselves the task of coming to power at the cossack regions through active participation in the forthcoming elections of governors and heads of administration, rather than through resorting to any extremist non-constitutional means.

This statement was made by Viktor Sharkov, who delivered a programmatic speech at the first assembly of the Stavropol territory-based cossacks on Sunday. A hereditary cossack, Sharkov, 44, was elected cossack chieftain at the assembly.

He took the post officially on Monday.

Simultaneously with holding the first assembly the Stavropol Territorial Union of Cossacks ceased to be. Founded in the late 80s, the union was officially transformed into the Stavropol Cossack Force.

According to Sharkov, the move was not a formal "change of signboards". The transformation of the Stavropol cossack organization into a military force answers to core interests of inhabitants of the Stavropol territory and many thousands of Russians, who inhabit Chechnya and other north-Caucasian republics from time immemorial, but are of late subject to utter genocide: killings, robbery, forceful expulsion from their homes, etc., Sharkov said.

The Stavropol cossacks are not going to raise arms so far, but the transformation of the Territorial Union of Cossacks into a military force aims to fortify discipline and responsibility among the cossacks. However, if the tensions spread to the borders of the Stavropol territory or outbreaks of "criminal misrule" occur within them, the cossack military force will be promptly placed on a high alert, Sharkov said.

According to him, after the cossacks win the elections to local government, they will step up efforts aimed at reviving forms of property characteristic of cossack community which preclude sales of land and set about fighting firmly against gangsterism and corruption.

Chechen Opposition Threatens To Seize Groznyy by Dec

LD2111174994 Moscow ITAR-TASS in English 1611 GMT 21 Nov 94

[By ITAR-TASS correspondent Andrey Palaria]

[FBIS Transcribed Text] Moscow November 21 TASS—The Chechen capital Groznyy will be seized by the end of November, Chechen Opposition Provisional Council Spokesman Ruslan Martagov said.

In an interview with ITAR-TASS on Monday, Martagov said that "by the end of November Groznyy will be seized and the Chechen leadership should have no illusions about that."

He pointed out that the latest events in Chechnya have proven the opposition's supremacy over government troops and that their further resistance is doomed.

He said the opposition in fully in control of the situation in the republic. At the same time, Martagov noted that an attempt on Ruslan Labazanov, one of the opposition leaders, was made on Saturday in the village of Tolstoy Yurt, the base of former Russian Parliament Speaker Ruslan Khasbulatov's peace-making mission.

A woman gave him a parcel which, as it turned out later, contained a bomb. The bomb went off when Labazanov's bodyguard opened the parcel. The bodyguard died, Labazanov was not injured. The woman has been arrested.

On Monday, Provisional Council Chairman Umar Avturkhanov met with the leaders of the Nadterechnyy and Grozn/y districts in the village of Znamenskoye where the council is headquartered. The participants

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

discussed funding, supplies of seeds, fuel, lubricants and spare parts for agricultural machinery and equipment, as well as education and health care, Martagov said.

Invasion of Naura Region Planned

LD2111175894 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] The General Staff of the Chechen Armed Forces announced on Monday that military formations, consisting of 5-6 infantry battalions, and up to 50 heavy tanks, howitzers and artillery pieces, were being concentrated in the village of Vesyolaya in the Stavropol Territory, near the border with Chechnya's Naura Region.

A General Staff spokesman told Interfax with reference to the latest reports that a breakthrough is to be accomplished on Tuesday or Wednesday by a tank column, with the possible utilization of helicopters, to occupy Chechnya's Naura Region. He also said that women and children were being evacuated from the region deeper into the republic.

The Chechen State Security Department reports that concurrently Russian combat helicopters are planning to deliver missile blows on Groznyy's strategically important installations.

Stavropol Cossacks Deny Occupation Plans

LD2211113494 Moscow Mayak Radio Network in Russian 1000 GMT 22 Nov 94

[FBIS Translated Text] A spokesman for Stavropol kray cossack troops today denied claims by official Groznyy that Russia is allegedly preparing to occupy the Nadterechnyy and Shukhavskoy rayons of Chechnya.

The provocatory nature of the allegation is all the more evident, the Cossacks stress, since Dudayev's regime is evidently frightened by the opposition's open intentions to storm Groznyy by the end of November.

Dzhokhar Dudayev's possibilities for staying in power are growing less and less because the total mobilization announced a few months ago has practically collapsed.

Chechen Defense Committee Holds Meeting

LD2111180094 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] Given the threat of invasion of Chechnya from the Stavropol Territory, the Chechen State Defense Committee, set up on Monday in accordance with President Dudayev's decree, gathered for an emergency meeting.

The Committee consists of the president, and the leaders of the power ministries and some other key ministries and departments.

According to Interfax sources, the State Defense Committee is working on a plan for rebuffing aggression.

Defense Committee Urges UN To Prevent Aggression

LD2111203494 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] The Chechen State Defense Committee urged the U.N. "to interfere without delay for preventing the escalation of aggression and the unleashing of a large-scale war." It circulated a statement in Groznyy which says that the entire responsibility "for the beginning of combat operations and unleashing a new Russian-Caucasian war" rests with "the Russian top political leaders."

The State Defense Committee warned that "the combat operations, unleashed by the Russian Federation against the Chechen Republic, will spread over vast territories and affect the interests of many states and NATO members."

In this connection, the State Defense Committee is planning to urge U.S. president Bill Clinton to use diplomatic channels for influencing the Russian leadership into stopping combat operations against the Chechen Republic.

Bomb Explodes in Downtown Groznyy

LD2211085094 Moscow 2x2 Television in Russian 0830 GMT 22 Nov 94

[FBIS Translated Text] An explosive device went off early on Tuesday morning in an interior courtyard of the Kavkaz hotel in the center of Groznyy, the capital of Chechnya. According to a report from INTERFAX correspondents, the windows of houses nearby were blown out by the shock wave of the explosion. There are no casualties.

Six Factions Ready To Fight for Presidency

LD2211104394 Moscow Radio Rossii Network in Russian 1000 GMT 22 Nov 94

[FBIS Translated Text] There are at least six armed groupings in the Chechen capital at present ready to fight for the presidency. None of them are taking part in the open fight between the opposition forces and the forces of the official authorities. A member of the parliament of the republic of Chechnya on an unofficial visit to Vladikavkaz, who wished to remain incognito, stated this to the RIA agency.

Ingush President on State of Emergency Regulations

LD2111214194 Moscow INTERFAX in English 1859 GMT 21 Nov 94

[FBIS Transcribed Text] The state of emergency regulations in the zone of the Ossetian-Ingush conflict must

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

only apply to the Prigorodnyy Region, Ingush President Ruslan Aushev stated in Nazran, the administrative center of Ingushetia, on Monday. He also announced that on November 18, Russia's Federation Council discussed ways of normalizing the situation in the conflict zone, including the return of the refugees and forced migrants. He said that some of the deputies proposed passing a decree on prolonging the state of emergency, others suggested lifting the state of emergency regime, and still others insisted on the introduction of federal government in the Prigorodnyy Region.

He expressed hope that "the Russian president's staff will take into account the opinions of the Federation Council deputies while drafting a new decree, because the latter have a principled position on the problem."

North Ossetia Passes New Constitution, Renames Republic

MK2211110094 Moscow SEGODNYA in Russian 22 Nov 94 p 2

[Report by Yelena Tregubova under the "Caucasus" rubric: "Constitution Adopted in North Ossetia. Parliament Will Be Elected From the Old One-Candidate Districts"]

[FBIS Translated Text] A new constitution of North Ossetia, which is now called "The Republic of North Ossetia—Alania," was passed the other day.

The new local parliament, elections for which will be held 27 March 1995, will consist of as few as 75 deputies (whereas the old Supreme Soviet had 150). Also, less than half of the new deputies are to work there on a permanent basis.

According to Nikolay Molchanov, aide to the North Ossetia president, "This is motivated by the fact that only professionals—jurists and so on—are supposed to work in the legislative body on a permanent basis."

Like the leaders of the majority of Russian regions, the leaders of North Ossetia have decided against holding the parliamentary elections on a multiparty basis.

Deputies will be elected in accordance with the "old majority system" in one-candidate districts. Notably, as Nikolay Molchanov told your SEGODNYA correspondent, "election district borders will remain the same."

The new constitution provides for the separate posts of president and head of government, and Akhsarbek Galazov will soon have to appoint a prime minister.

New Foreign Economic Contracts Procedure Takes Effect

LD2111231194 Kiev UNIAN in Ukrainian 1835 GMT 21 Nov 94

[FBIS Translated Text] Kiev—The regulations on the procedure for registering certain types of foreign economic agreements (contracts) in accordance with the presidential decree of 7 November 1994 comes into force on 22 November. This was reported at a news conference at Ukraine's Ministry of Foreign Economic Relations. The registration of contracts will be carried out on the basis of Ukrainian legislative acts, Ukrainian international obligations adopted in connection with the accession to GATT, and Ukraine's international agreements with member countries of the CIS, the European Union, the United States, and Lithuania.

According to Vasyl Oliynyk, acting deputy minister of foreign economic relations, the system of registering contracts that is being introduced differs from what existed earlier in that they are completely devoid of quantitative restrictions, and the registration of contracts does not envisage the mandatory presence of commodities.

A list of commodities that will have to be registered was also made public at the news conference. These are: commodities the reexport of which is regulated by current Ukrainian legislation and Ukraine's international agreements; commodities of Ukrainian origin in relation to which international agreements envisage voluntary export restrictions; commodities the export of which is carried out in accordance with specific measures with the aim of preventing antidumping procedures; and goods of Ukrainian origin, the import of which is subject to unilateral quantitative restrictions (quotas, quantitative restrictions, licensing) by some states, economic groupings, and customs unions.

Archangelsk Enterprises Resume Work After Power Restored

LD2211121994 Moscow Ostankino Television First Channel Network in Russian 0952 GMT 22 Nov 94

[From the "Novosti" newscast]

[FBIS Translated Text] All industrial enterprises resumed work in the Arkhangelsk region today after being forced to stand idle for a week because of tough fuel rationing at power stations. Restrictions have even been lifted from enterprises which were cut off before the fuel crisis because of their debts. However, all enterprises which fail to pay their debts will be cut off again in a couple of days. It has proved to be much simpler to restore power to all enterprises at once than to do so selectively.

Gold Found in Russian North

LD2111214494 Moscow Russian Television Network in Russian 0900 GMT 21 Nov 94

[FBIS Translated Text] The Russian north has got caught up in a goldrush. A gold field has been discovered here on the junction between the border of Karelia and the Murmansk Oblast, and it is attracting gold-diggers.

It is interesting that in neighboring Finland, gold-prospecting artels [teams] have already been developing

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

small gold-carrying deposits for a long time. They are situated near the border with Russia, and the structure of the geological structure is the same on both sides of the border. So the hopes of the Russian gold-diggers are sufficiently well based.

Diphteria at 'Critical Level' in Maritime Kray

LD2211030494 Moscow ITAR-TASS World Service in Russian 0221 GMT 22 Nov 94

[By ITAR-TASS correspondent Tatyana Pozhidayeva]

[FBIS Translated Text] Vladivostok, 22 Nov—The incidence of diphtheria has reached a critical level in Maritime Kray. According to information from the kray sanitary epidemiological station, the number striken by this dangerous ailment has risen by 2.5 times compared with 1993 and has today reached more than 1,700 people. Thirty-five fatal cases have been registered, which is the highest figure for Russia. At the insistence of doctors, the authorities in Maritime Kray have announced a state of emergency in the kray. Specialized teams of doctors have set out for the most stricken areas to carry out mass vaccinations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

International Affairs

Kuchma Addresses UN, Cites Current Issues

LD2211000694 Kiev UNIAR in Ukrainian 2210 GMT 21 Nov 94

[FBIS Translated Text] New York, 21 Nov— Speaking at a session of the 49th session of the UN General Assembly, President Leonid Kuchma, in particular, pointed out: "Ukraine not only declared its loyalty to the principles of the UN Charter, but proved by all its practical activity its capability of carrying the burden of responsibility as a member of the world community. This refers to the issue of the U.S. peacemaking activity, too. Ukraine's military umpires took part in relevant undertakings in the Dniester area. Virtually from the very beginning of the Yugoslav conflict, since July 1992, Ukraine's contingent has taken part in the peacemaking operations in Bosnia-Herzegovina. We are ready to further step up and expand our participation in UN peacemaking efforts, and we share the approach to this problem by UN Secretary General Butrus Butrus-Ghali. At the same time, Ukraine is ready to join the search for new forms of activity to warn against and prevent conflicts.

Reduction of armaments and armed forces, liquidation of the mass annihilation weapons unequivocally contribute to lowering the level of military threat. Ukraine attaches exceptional significance to the participation in this process. It was among the first in the world to refrain from possessing nuclear weapons on a completely voluntary basis, and it conscientiously fulfills the international obligations it assumed and removes the powerful arsenal of the most dangerous kind of mass annihilation weapons from its territory. However, since Ukraine acquired independence, the World Community has focused its attention mainly on one theme: Whether Ukraine will become a nonnuclear state or embark on the road of taking possession of the nuclear weapons inherited from the Soviet Union, as a reliable means of deterrence. Recently Ukraine demonstrated to the entire world its loyalty to its own obligations by approving a decision on the accession to the nuclear weapons Nonproliferation Treaty.

Today there is every grounds to state that Ukraine, despite all economic and political difficulties, is acting consistently and, most importantly, in the interests of all humanity. I regret that such a policy line has not yet been responded to adequately. Until now Ukraine has not received the relevant compensation for the tactical nuclear warheads that were removed from its territory, the promised aid within the framework of the Nunn-Lugar program is being rendered at a very slow rate and, as a whole, the set schedule of providing this aid is not observed.

Ukraine is now at a critical stage of its development. The development of the independent state and its transition toward a law-governed, democratic society are being hampered by the severe economic crisis, whose aggravation leads to a decline in the population's living standards. We see a radical restructuring of the entire economic mechanism and introduction of market reforms in all spheres of production as the only possible way out of this situation.

Ukraine is ready to take an active part in the implementation of the economic and technical programs that are carried out within the framework of the specialized institutions within the UN framework at the regional and sub-regional levels.

We call on the world community to spare no effort, so as to render effective assistance to the states that incur losses as a result of their abidance by sanctions.

The thermal power engineering of Ukraine cannot compensate for the decommissioning of the Chernobyl nuclear power station. The Chernobyl issue can only be resolved in a constructive manner through the modernization of the entire power engineering complex of Ukraine, the implementation of which is so far beyond our powers unless broad-scale international assistance is rendered. Issues pertaining to the Chernobyl nuclear power units and their shutdown should be viewed not as local measures, but as the implementation of an international program for the elimination of the consequences of the Chernobyl aftermath. We rely upon the UN support."

On Security Guarantees, 'Reservations'

LD2111234694 Moscow ITAR-TASS World Service in Russian 2130 GMT 21 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 22 Nov— "Security guarantees for Ukraine are the main condition for its accession to the Non-Proliferation Treaty [NPT]," Ukrainian President Leonid Kuchma said at a news conference on Monday after his country's decision to join the treaty was announced at the UN General Assembly.

Opening the news conference, Leonid Kuchma noted that he regarded the United Nations as "one of the guarantors of Ukraine's national security, territorial integrity, and inviolability of borders." "We hope that the United Nations and, specifically, the Security Council will not sidestep the problem of nuclear powers ensuring security guarantees for Ukraine, a state that was the first in the world to voluntarily renounce nuclear weapons," the Ukrainian president stressed.

Everybody, however, was interested in the meaning of the reservations that the Ukrainian parliament made when adopting the decision to join the NPT. A question was asked about what, specifically, was behind the proviso on "extraordinary circumstances" which can emerge in the path of Ukraine's accession to the treaty as a result of "military threat" or "economic pressure."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"Ukraine's main condition is that it must have security guarantees. Speaking about possible economic pressure, however, we have in mind Ukraine's wish [pozhelaniye]. We are not experiencing any economic pressure at present," Kuchma remarked.

Journalists for clarification of the point in the Ukrainian president's address to the assembly in which he "complained about Ukraine failing to receive the necessary compensation for the nuclear weapons withdrawn from its territory."

"That was not a complaint. This is a view to the effect that we have failed to receive the necessary compensation. This is a reminder that Ukraine has removed from its territory nuclear weapons that contained the amount of nuclear fuel sufficient for several years' work of our nuclear stations. We believe Ukraine has moral and other rights to compensation for this. And we are in the process of talks on this problem with Russia."

Criticizes U.S., Russia

LD2111183594 Moscow ITAR-TASS in English 1825 GMT 21 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations November 21 TASS—Ukrainian President Leonid Kuchma said on Monday that his country has joined the Nuclear Non-Prolifiration Treaty (NPT).

Speaking at the U.N. General Assembly, Kuchma accused Russia and the United States of failing to fulfil their commitments in conformity with trilateral agreements on Ukraine's nuclear disarmament.

According to the president, "the Supreme Rada (parliament) of Ukraine decided on November 16 to join the Nuclear Non-Prolifiration Treaty. Thus Ukraine has confirmed that it is a responsible member of the world community and equally takes into consideration interests of its own security and the necessity of security for all (states)".

"I regret that I have to say it from the U.N. rostrum: such a policy meets no adequate response", Kuchma went on saying.

"Until now Ukraine has not obtained the necessary compensation for tactical nuclear warheads that have been already withdrwan, while the assistance (under a U.S. law) is rendered very slowly and in general does not meet the fixed terms", the president said adding that "some other problems also exist in connection with providing (Ukraine with) guarantees of political security".

Kuchma noted that "by the way, it is not the single case when reached agreements fail to be duly fulfilled by our partners".

Kuchma, U.S. Business Leaders Discuss Future

LD2211114694 Kiev UNIAN in Ukrainian 1000 GMT 22 Nov 94

[By UNIAN correspondent Natalia Nehmadzyan]

[FBIS Translated Text] Washington—President of Ukraine Leonid Kuchma visited on 21 November the Overseas Private Investment Corporation [OPIC]. During a private talk with OPIC president Ruth Harkin, the Ukrainian leader offered the U.S. business community participation in oil and gas extraction projects, specifically those on the Black Sea shelf and the project involving oil delivery from the Persian Gulf to Odessa by pipeline via Turkey.

Over 60 representatives of leading American companies, including Digital Equipment Corp., Occidental Petroleum Corp., and Westinghouse Electric Corp., spoke of the need to create a stable economic environment with low inflation and a well-developed private sector in order to attract more foreign investment.

Two agreements were signed at OPIC as regards future projects in Ukraine. The FMC Corporation announced allocation of $15 million for the purchase of agricultural equipment by a leasing arrangement, while the Uzviz [as received] joint venture allocated $7.1 million to remodel an ancient house in a historical part of Kiev into a five-star hotel.

Estonia Welcomes Ukraine's NPT Accession

LD2111223394 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 21 Nov 94

[FBIS Translated Text] Ukraine's Foreign Ministry press center has reported that Ukraine's ambassador to Estonia Yuriy Olenenko met Estonian Foreign Minister Juri Luik. Yuriy Olenenko informed the minister about the ratification by the Supreme Council of the law on Ukraine's accession to the nuclear weapons Nonproliferation Treaty [NPT]. It was emphasized that this event is unprecedented and extremely important for the process of disarmament in the world.

The Estonian side expressed full understanding of Ukraine's stand and certainty that this move will be of great significance for the consolidation of security on the European continent and throughout the world. It was also emphasized that Estonia will further abide by its policy of supporting Ukraine on the international scene.

Kiev Declines To Sign CIS Border Agreement

LD2111180794 Kiev UNIAN in Ukrainian 1520 GMT 21 Nov 94

[By UNIAN correspondent Olena Melnyk]

[FBIS Translated Text] Kiev—A delegation of the State Committee for the Protection of Ukraine's Borders [DerzhKomKordon], led by Anatoliy Makarov, deputy commander of the Ukrainian Border Troops, did not

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sign a draft concept for protecting the CIS external borders or an agreement on cooperation in this direction at a session of the Council of the CIS Border Troop Commanders, which ended in Moscow. The draft concept envisages joint protection of the external borders of the CIS countries. Serhiy Astakhov, an adviser to the commander of Ukraine's Border Troops, told this to UNIAN on 21 November. The decision is substantiated by the fact that Ukraine is not a member of the Council of the CIS Border Troop Commanders and takes part in its sittings as an observer.

The issue of introducing joint protection of the borders of the CIS countries was for the first time discussed at a session of the Council of the Border Troop Commanders in St. Petersburg in the summer of 1994. Ukraine then refused to take part in it.

At the session in Moscow Ukraine supported proposals to hold joint cultural, sports and other undertakings to mark the 50th anniversary of the victory in the Great Patriotic War.

National Affairs

Kuchma Issues Land Reform Acceleration Decree

WS2111150194 Kiev VYBIR in English 2040 GMT 20 Nov 94

[Decree issued by Ukrainian President Leonid Kuchma in Kiev on 10 November: "On Urgent Measures To Accelerate Land Reform in the Sphere of Agricultural Production"—from the "Parliamentary Chronicle" feature]

[FBIS Transcribed Text] In order to create equal conditions for different forms of ownership in rural areas, to stimulate agricultural production, pursuant to Item 7-4, Article 114-5 of the Ukrainian Constitution, I hereby decree:

1. To establish that privatization of the lands in possession of agricultural enterprises is a priority of land reform in Ukraine.

Transfer of lands into collective and private property for agricultural production shall be effected on a voluntary basis proceeding from the principle that land should belong to those who cultivate it.

2. To recommend that local Soviets of people's deputies, with participation of the state committee for land resources, take measures on accelerating the free-of-charge transfer of land to collective ownership of agricultural coops, joint-stock companies and other agricultural enterprises whole employees wish to possess land.

The land use organizations shall organize division of lands transferred to collective ownership into the land sections (shares) without providing them in kind.

Each member of said coops and companies will be given a certificate specifying the size of his land plot and its value.

3. The right to said land plot (share) may be sold, bought, presented as gift, exchanged, inherited or used as pledge.

4. Each member of coop, company or agricultural enterprise has the right to withdraw from them free of charge and to possess his land plot (share) which is certified by the state act on the right of private ownership of land.

Owners of land plots may voluntarily set up joint agricultural partnerships, associations, joint-stock companies, sell their land plots to the citizens of Ukraine, exchange them, use them as pledge, lease then without changing the purpose of such plots.

The size of such plots shall not exceed the norms fixed by the Land code.

5. Relevant scientific institutions shall concentrate on research into the field of land reform.

6. The Cabinet of Ministers of Ukraine shall:

submit to the parliament the following bills:

—on decrease to 5 percent of the contract value of the state duty imposed in case of sale-purchase of land plots—by 1 January 1995;

—on amending the Land code of Ukraine pursuant to this decree—by 15 January 1995; —on amending the Code of Civil procedure relating to the rights to land plots (shares) and their transfer to private ownership—by 15 March 1995;

—on mortgage and lease of land plots—by 1 April 1995.

—work out the draft decrees on the state control over the use and protection of lands, establishment of the state land use service and the land bank—by 15 January 1995;

—elaborate the regulations on lands sharing, withdrawal from coops and other agricultural enterprises, including former collective and state farms—by 15 February 1995;

—elaborate the land valuation methods by 1 March 1995;

—allot the funds for technological support (computers, vehicles, other facilities) of land reform.

[Signed] President of Ukraine L. Kuchma

[Dated] 10 November 1994

On Economic Reforms

WS2111145594 Kiev VYBIR in English 2040 GMT 20 Nov 94

[Decree issued by Ukrainian President Leonid Kuchma in Kiev on 18 November: "On Measures To Fulfill the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Decisions Relating to Economic Reforms in Ukraine"—from the "Parliamentary Chronicle" feature]

[FBIS Transcribed Text] Proceeding from the fact that certain state executive bodies block the cabinet's actions on economic reforms, fix monopolistically high prices that should be formed exclusively between producers and consumers which leads to resistance of population to radical reforms, I hereby decree:

1. To make heads of ministries, other central state executive bodies, Crimean Government, heads of local Soviets personally responsible for nonfulfillment of the cabinet's decisions on economic reforms and for fixing the monopolistically high prices and tariffs.

The persons guilty of said nonfulfillment and prices will be made responsible for such actions pursuant to the law, including dismissals from their posts.

2. Within one month, the antimonopoly committee and economics ministry shall submit the proposals on limiting the sectoral monopolism, in particular, on liquidation of the structures that increase prices in administrative manner neglecting the interests of population.

3. The economics ministry, other ministries and local authorities shall submit, by 1 January 1995 their proposals on formation of prices for the basic products manufactured in Ukraine through holding fairs, exchange trade and other market-oriented structures.

4. By 1 January 1995 the National Bank of Ukraine shall submit the proposals on selling the products at domestic market exclusively for the national currency.

[Signed] President of Ukraine L. Kuchma

[Dated] 18 November 1994

Ship Prepares for Yugoslav Peacekeeping Role

AU2111160894 Kiev HOLOS UKRAYINY in Ukrainian 18 Nov 94 p 1

[Unattributed report: "The Lutsk Prepares for Sailing to Yugoslavia"]

[FBIS Translated Text] The antisubmarine ship Lutsk is preparing to sail to Yugoslavia on a peacekeeping mission. With this in view, the ship's armament has been modernized and brought up to world standards. The Lutsk is now oriented toward fulfilling patrolling tasks in the zone of combat actions. Preparations for sailing to fulfill the peacekeeping mission under the UN flag are practically completed.

Veterans Give To Missile Cruiser Fund

AU2211105194 Kiev HOLOS UKRAYINY in Ukrainian 18 Nov 94 p 16

[Unattributed report: "The Guided Missile Cruiser Ukrayina Will Be Built"]

[FBIS Translated Text] Major General Vilen Martyrosyan, president of the Fund for Social Guarantees for the Armed Forces Servicemen and Veterans, visited Nikolayev, where the guided missile cruiser Ukrayina is being built, and helped the team resolve some social and everyday problems. In addition, he handed a check for 100 million karbovantsi [K] and K10 million in cash to Captain 2d Rank Illya Chalyy, commander of the cruiser. The Illichivsk Fish Cannery sent, through the president of the fund, three metric tons of fresh-frozen pollack.

"This is our fund's first contribution to the national cause of building a missile cruiser and adding it to Ukraine's naval forces as soon as possible. We will continue rendering feasible assistance to Ukrainian seafarers in the building of Ukraine's naval forces," Vilen Martyrosyan assured the sailors.

Official on CFE Weapons Reduction Inspections

LD2111175794 Kiev UNIAR in Ukrainian 1530 GMT 21 Nov 94

[FBIS Translated Text] Kiev, 21 Nov—A Ukrainian Defense Ministry briefing dedicated to the problems of the implementation by Ukraine of the Treaty on Conventional Armed Forces in Europe [CFE] has been held. Colonel Valeriy Byelinskyy, the deputy head of the Ukrainian Defense Ministry's Verification Center, replied to journalists' questions. He said that the Verification Center was engaged in checking Ukraine's adherence to various international agreements relating to arms reduction.

Thus the center's officials prepared inspections by Ukrainian delegations abroad, received foreign delegations and prepared information. Valeriy Byelinskyy said that this year alone the center had received 83 inspections in accordance with the treaty on the reduction of conventional armed forces in Europe, and in the entire period of its existence had received 220 inspections. On the Ukrainian side because of the high value of trips, Ukrainian military delegations carried out only 20 percent of planned inspections. Valeriy Byelinskyy said that Ukraine had reduced by 60 percent the number of tanks, aircraft, and armored vehicles as required by the agreement on the reduction of conventional armed forces in Europe.

Shmarov on Current Military Issues, Goals

WS2111075094 Kiev UKRAYINA MOLODA in Ukrainian 11 Nov 94 pp 4,5

[Interview with Ukrainian Defense Minister Valeriy Shmarov by unidentified reporters; place and date not given; edited by Olena Lisnycha and Serhiy Say-Bodnar: "Valeriy Shmarov: 'I Do Not Serve But Work in the Army. I Tell All Generals This...'"]

[FBIS Translated Text] *Valeriy Mykolayovych Shmarov, deputy prime minister and now defense minister as well,*

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is one of the most important people in the current Ukrainian Government; he was also in the former government. His rise to power was not meteoric, but it was confident and irreversible.

Since he once worked at the Kiev radio plant, which was a subcontractor to "Pivdenmash," the paths of Valeriy Shmarov and Leonid Kuchma crisscrossed long before the rise-fall-rise span of the current president.

Valeriy Shmarov, the first civilian defense minister, is a reserve lieutenant, which is, of course, unequivocally received by generals from the Defense Ministry. However, all his previous work has been so deeply rooted in the defense industry that he is now adequately familiar will all problems facing the military. Our first question (perhaps it has become customary for Mr. Shmarov) thus concerned his appointment, as well as structural and personnel changes within the ministry, which his appointment will inevitably bring about.

[UKRAYINA MOLODA] **There is the following practice in many countries, for example, in the United States: A civilian defense minister is rather a political figure, and the chief of the General Staff takes care of strictly military issues. To what degree will this scheme be exercised in Ukraine, and, in general, what changes will take place within the ministry's structure and regarding its key figures in connection with your appointment?**

[Shmarov] I would like to expound on this question. Why should we need such changes, if there has been a classic scheme for 70 years? Do we need such radical changes? Perhaps it is nice to be first, but, you know, it is hard to bear the palm. This is a huge overload.

As I understand it, during this time difficult for Ukraine, the Army—a peculiar, closed organism (and it really is!)—should be more open to society. This will make it possible to run it more efficiently. We must balance the financial capabilities of our state and the needs of our Armed Forces—the needs of the state's security.

Regarding changes, certain areas should be managed by people, who would advocate the state's position rather than a strictly departmental position. For instance, these would include the area of military-politics, economics, or political-educational work, which, by the way, is currently being neglected. These areas should be handled by economists, scientists, psychologists, or sociologists respectively. Of course, there will be gradual not rapid changes. Why should we conduct rapid personnel changes? The system may suffer from this. We will, however, continue to conduct such changes nonetheless.

There are all the ministry's directorates. There are even too many of them, and perhaps some of them should be merged. We will not set up new directorates; civilians will simply be working in the aforementioned areas.

[UKRAYINA MOLODA] **Why was Deputy Defense Minister General Oliynyk dismissed?**

[Shmarov] The man served for 39 years. How long can one serve! Gen. Oliynyk is a professional in the space rocket industry, and it currently is not a priority direction. The Ukrainian Army is currently not concerned with the issue of "star wars," but the problems of conventional weapons and their modernization—earthly problems, to put it this way. I think that a man with... well... with an infantry bent will be appointed to this post.

[UKRAYINA MOLODA] **Valeriy Mykolayovych, Ukraine's Armed Forces were established on the debris of the Soviet Army. From the USSR we inherited three military districts, the Black Sea Fleet, and, seemingly, the somewhat bloated central apparatus of the ministry. What would be the ideal structural composition of our Army?**

[Shmarov] The ministry's apparatus is actually quite cumbersome and it needs to be seriously corrected. The reconstruction of the Army's structure has already been under way for several years. We inherited three very different military districts, in terms of their purpose, and the state needs complete, combat-capable armed forces, its own navy, air force... There are still combined units in Ukraine, which once protected the entire Soviet Union. Of course, we do not need such cumbersome units nowadays. We are thus trying to adjust our needs to what we have. I must admit that this is a quite complex process, since we are doing everything by means of reduction, while neglecting probably the most important thing—the social problems of servicemen. We currently do not have an opportunity to carry out active reform in the Armed Forces, because we cannot provide our people with housing or work. Frankly, this is a fundamental obstacle.

[UKRAYINA MOLODA] **The first month of work in your new job has passed. As we have learned, you have actively been studying the status of low-level subunits over this time. How did you perceive our Army from the inside, and on what issues would you like to concentrate your efforts?**

[Shmarov] Let me first clarify something: I have been working with the Armed Forces all my life, particularly actively—over the last few years. Therefore, I did not discover anything unexpected. I must only study certain directions and branches further to reach the bottom, come to a conclusion, and influence the situation. It is simply impossible to do that in only a month. I have allotted a little bit more time for myself to do this.

How did I perceive the Ukrainian Army from the inside? There are positive and, naturally, negative things. Along with the impoverishment and decline of the Army, as well as of its moral and combat spirit (this is a favorite topic of the press), professionals, primarily patriots, continue to work normally and reasonably. Unfortunately, there are also flaws behind all this. They are primarily caused by a lack of money. There is no money to conduct training flights, target practices... Specialists

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

are losing their skills, and this brings about an unhealthy moral and psychological climate.

This years' defense budget (perhaps it is not a classic example—we could have stinted ourselves of something) meets only a fourth of our needs. The state allotted money merely for preserving the Army. So, currently, we are only able to provide uniforms, shoes, food, heat... And this is the minimum. Pilots now fly four or five hours per year, and certain more agile commanders—a little longer. This is the most painful issue for me. I always think how to improve the Armed Forces' economic situation—where to find money.

Among other things, I am also concerned by the Army's morale, psyche, and spirituality. Unfortunately, compared with the widespread depression within our society, negative phenomena are developing more rapidly in the Army, perhaps due to stereotypes which are very viable there, or military commanders' complex (though I do not want to offend anyone). Embezzlements, theft, and non-statutory relations—all these are sins of our Army. We must fight against all of these phenomena, but with more than slogans or appeals, of course. This also requires money. We need a comprehensive program.

The issue of weapons' condition is also complex. We are servicing and using weapons of the former Soviet Union, a majority of which were not produced in Ukraine. Spare parts, repairs, and maintenance—all these are priorities of other countries, primarily, Russia. Therefore, a lack of money and difficulties concerning payments among states are also negatively affecting the status of the Armed Forces.

Finally, it also requires enormous efforts to reform and reduce the Army to generally accepted and reasonable proportions to relieve taxpayers.

[UKRAYINA MOLODA] What do you mean by "generally accepted proportions?"

[Shmarov] They exist all over the world. We have also defined them. At the first stage, that is by next year, we should reduce our Army to 450,000 servicemen. Of course, this will not be an ordinary, mechanical reduction. We must take everything into consideration: How many air, antiaircraft, or landing forces do we need? We must not only achieve a specific number of forces, but also structurally arrange them.

It has been planned to reduce the Ukrainian Armed Forces to about 300,000 people over several years. This would be both normal and expedient. However, these troops must unconditionally be provided with food, shoes, and weapons. The point is not the quantity but the quality and power of arms.

[UKRAYINA MOLODA] Valeriy Mykolayovych, our newspaper has repeatedly addressed the situation surrounding the pearl of Ukraine's defense industry—the "Kvant" association. Specialists, with whom we met, advocated the idea of dividing the Ministry of Machine-Building, Conversion, and Defense Industry into two—civilian and military—ministries. Apparently, this idea was even wandering among the corridors of President Kravchuk's administration. What do the new state and military leaders think of it?

[Shmarov] First, let me talk about "Kvant." The biggest blow fell upon this once prestigious scientific research association during the first year of our independence, when, having become overwhelmed by euphoria, we made it possible for the so-called "Brownian movement" to develop. At that time, the "Kvant" research and production association, due to someone's personal ambitions, was divided into a plant and a scientific research institute with the same name. It is worth recalling that for a long time their "symbiosis" was producing excellent results in the development and production of new equipment. The institute would generate ideas, and the plant would adopt them and launch serial production. The former now has no production capabilities, and the latter has no permanent customer, such as the institute once was. Both are currently experiencing hardships. However, what can one do about this? The personal ambitions of both directors were quite strong. They quite stubbornly stuck to their lines, and as a result, the staffs suffered considerable losses. Currently, it would probably be expedient to reunite them, however, it is not ruled out that it is already impossible. The two staffs are specialized and have high scientific and technical potentials. They have already carried out some conversion. I believe, however, that the development of microwave ovens is not the right path for the "Kvant" scientific research institute. There is an Institute of Household Equipment which can do that.

The institute's role has recently been revised, its place and priorities have been defined. It is only a pity that programs, which have been assigned to the institute, are insufficiently financed. Scientific research is, and, undoubtedly, will remain alive. Perhaps the only thing it needs are personnel reshuffles. The state of affairs at the plant is worse.

Regarding the Ministry of Machine-Building Industry, it is inexpedient to create another ministerial office, since there are no "pure" defense companies in Ukraine, and there are companies at which production pertaining to the national economy dominates. The structure of the current ministry has been revised, and in accordance with its list of members of staff, an office of deputy minister for the defense industry was established.

[UKRAYINA MOLODA] All countries which have their own navies have shipbuilding programs. In Ukraine, three vessels have already left the berths...

[Shmarov] There has been a fourth vessel.

[UKRAYINA MOLODA] Does our state have great prospects for shipbuilding? Or are the aforementioned ships the fruit of the former Soviet Union?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Shmarov] Let me start with the end. The ships are actually products of that system. They already were, as the saying goes, ready to go. Naturally, they came under the jurisdiction of our Navy. Unfortunately, not all new vessels meet our needs. For example, the "Slavutych" is a quite specialized radio-engineering ship designed to work at polar latitudes. The "Slavutych" certainly is not a part of our program.

A program for shipbuilding has been drafted, and we have already examined and returned it for corrections. The program reserves a special place for military shipbuilding. It takes into account our doctrine and concept of building the Armed Forces.

[UKRAYINA MOLODA] **By the way, Valeriy Mykolayovych, what is the fate of the notorious "Varyah," which Ukraine has been trying unsuccessfully to sell for several years?**

[Shmarov] We still need a customer. You must understand that it is a specialized ship operating in one system with a group of Soviet-type satellites (they are Russian now), submarines... So, only a very rich state can allow itself to maintain such complicated and expensive equipment. The "Varyah" can either become a museum or be used in such a complex mode. Moreover, the "Varyah" must be completed, and it is aging more quickly than the work is being conducted. We are thus trying to offer it to Russia at nearly every meeting; every month I write about this to [Russian Prime Minister] Chernomyrdin, but... It is, as the saying goes, a very expensive toy, and unfortunately, we therefore have not yet found a buyer for it.

[UKRAYINA MOLODA] **Excuse me, Valeriy Mykolayovych, but Ukrainian television has recently reported that the "Varyah" has been dismantled...**

[Shmarov] Not the "Varyah" but ship No. 7 has been dismantled, the next one to have been built after the "Varyah." The "Varyah" has already been equipped, while ship No. 7 was simply a hull, a box, which has been dismantled.

[UKRAYINA MOLODA] **What is the approximate value of the "Varyah," the ship which we want to sell?**

[Shmarov] What difference does it make! The main thing is to find a customer. It has not been ruled out that we will have to sell it as scrap. It may prove that, after its long operation, metal smelted from ore will be cheaper than that from the "Varyah." In general, this is a very painful question, I would not like it to spoil my good mood at the end of the week.

[UKRAYINA MOLODA] **Then, there is an issue that is always to the point—the Black Sea Fleet. By the way, "Mayak" radio has recently reported that Ukraine made concessions regarding the Black Sea Fleet, in the form of debt repayment. We are convinced that our readers would like to receive information first hand from the defense minister.**

[Shmarov] Since May, we have not made a step forward in the negotiations. At that time, as you will recall, we settled the issue of watercraft and tackled issues of the fleet's infrastructure, ground-based forces, and bases. Since then, we not only have not moved forward, but, I would say, we have slowly been going backward, to a considerable degree, due to Russia's very stringent position. We want to resolve the problem as quickly as possible, and we are thus ready for a compromise, yet, of course, not to the detriment of our interests. However, such a position, unfortunately, has not yet been accepted. The talks with Russia may thus drag on until the year 2000.

This issue was discussed at a meeting between the two presidents in Moscow, and Boris Yeltsin promised to meet us half-way, and he stated so in a certain circle of people. Nevertheless, I could not say now what we can report to our citizens. The problem of bases has been resolved; the issues of estimating the value and compensation for the fleet have not been resolved.

[UKRAYINA MOLODA] **The issue of increasing wages for Ukrainian Navy servicemen to the same level as in the Black Sea Fleet was addressed as early as during Leonid Kravchuk's presidency. When will this problem be resolved?**

[Shmarov] When will this be resolved?! If I only knew! The current problem is how to increase wages for all servicemen. I have issued an order on increasing the basic salary of Armed Forces servicemen, since some of them were receiving around 200,000 karbovantsi. This relates to the entire category of medical nurses, stokers, etc.—over 200,000 people. We are going to increase servicemen's wages and differentiate basic salaries according to rank. Law wages do not create conditions for developing the Armed Forces, and I understand this perfectly.

Regarding your specific question, to resolve this issue, it is essential to resolve the Black Sea Fleet problem first. Naturally, personnel are escaping from the Ukrainian Navy and moving to the Black Sea Fleet, and we will not halt this without increasing their wages.

[UKRAYINA MOLODA] **I have an unconventional question. How are your relations with [Russian Defense Minister] Pavel Grachev?**

[Shmarov] They are normal. I always proceed from the presumption that one must have friends, and not foes. Relations between us are normal, and we sometimes exchange postcards.

[UKRAYINA MOLODA] **Valeriy Mykolayovych, let us move on to the issue of nuclear arsenal, the condition of nuclear ammunition, and the pace of disarmament. You stated in an interview that "ammunition does not behave according to rules... it is sick."**

[Shmarov] This related to the past (I have in mind last year), when Russian specialists from the so-called 12th

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Directorate stopped servicing our missiles. This is over now. I remember what happened then. Ukraine's primary task is to prevent the condition of ammunition from becoming dangerous.

I am not going to report how many missiles and shells we still have, since there are still some military secrets. Ammunition is partially stored in Ukraine at so-called "S" facilities adapted for storage. There is full harmony with the Russian Federation in terms of servicing. All work is conducted according to schedules, and they were coordinated with the tripartite agreement among the Ukrainian, Russian, and U.S. presidents. We keep an eye on this so that ammunition which is about to expire is transferred first. This entire process has been rendered harmless.

[UKRAYINA MOLODA] **It is interesting that nuclear systems, or, to put it another way, useless nuclear weapons are now remaining in Ukraine.**

[Shmarov] You see, combat readiness may be different. For example, one presses a button and a weapon fires. Or, it may happen that ammunition is in other place, and combat readiness can be achieved in 24 hours. However, we currently are not waiting for a Blitzkrieg, meaning that political developments does not force us to return our missiles to a state of combat readiness. Yes, we are able to do that, but we are so far acting within the framework of certain political agreements.

[UKRAYINA MOLODA] **This issue is clear. Are you satisfied, as deputy prime minister, with the mechanism for exchanging nuclear warheads (from Ukraine) for fuel for our nuclear power plants (from Russia)? Early this summer, the executive branch was not concealing its discontent with the pace of this exchange...**

[Shmarov] In conditions of almost cold relations, how can one manage to receive $6 or $8 million for one warhead (such sums have already been specified)?! There is no buyer, as is the case with the "Varyah." I believe that it was a weighed and considered step that we achieved accord on this barter transaction, and that the values of these commodities correspond one to another.

Consider this: There is, for example, weapon-grade plutonium in a nuclear ammunition storehouse—this is a global problem; nobody knows how to store it! I recall that, during the first stage of negotiations, Russia stated the following: The costs of storing plutonium would equal the value of all your ammunition. You can either store it in Ukraine or... We estimated that there was approximately 1 tonne of plutonium. You understand what it means to leave such an amount of plutonium in Ukraine! So, there are things that are not only arithmetic results.

There are hotheads in Ukraine who "know" how to store and reprocess plutonium—but these are merely illusions. I thus believe that the existing way of exchange is correct and objective.

[UKRAYINA MOLODA] **Why did we not sell Russia our strategic bombers? Did Russia turn down our offer?**

[Shmarov] Some of the bombers can still be used, and some of them... it is even hard to imagine what to do with them, and it is very expensive. As a matter of fact, we did not try to sell them. These bombers were made in Russia at the Kazan aircraft plant, and the planes can only be serviced at this plant-producer. These are supersonic bombers with 10,000-km range, and their operation is a heavy burden on the budget. We could sell them. Talks in this regard are being conducted at the government level, but there has been no final decision so far.

[UKRAYINA MOLODA] **A large-scale reduction of troops is currently under way, including rocket troops. Weapons, equipment, countless facilities, and military towns are remaining. How will the issue of this military inheritance be resolved?**

[Shmarov] Rocket troops' military towns will be handed over to oblasts, on whose territory they are deployed. I have issued several orders in this regard to remove the towns from the military budget. Of course, we wanted to sell them, but nobody want to buy them, since the towns are usually located somewhere in the middle of the woods or steppes, far away from populated areas. The situation in Khmelnytskyy is different—there is currently a battle for the military town there.

Regarding missiles, most of them will be recycled to recover the precious metals which they contain. However, in both America and Europe, I was substantiating the following idea: We want to commercially use booster rockets. There is one "but" hampering this program. We cannot launch rockets from Ukrainian territory, since one of them may fall on a populated area. So, we must find a launching site. We are currently working on this problem.

Regarding silos, nobody knows how to use them. Even the National Academy of Sciences has already been struggling with this problem for two years: To store grain there, or to grow mushrooms? There are proposals to store radioactive waste in silos, but, first of all, no region would agree to store such waste, and second, these are such specialized capacities that one cannot think of other purposes; I thing that we will not manage to invent anything else.

[UKRAYINA MOLODA] **Valeriy Mykolayovych, the next question concerns military personnel. Have you drafted any normative acts concerning people who have not taken an oath of allegiance to Ukraine, but who are still serving in the Army? As I recall, such a situation arose with the commanders of the 43d Rocket Army.**

[Shmarov] This period is over. In our Armed Forces, there are currently no people who have not taken an oath of allegiance to Ukraine. At the same time, there is the Law on General Military Duty. This is a paradox. Is it

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

really general if only 10 percent of young men of draft age join the Army? We need law simply on military duty.

There are currently 30,000 contract servicemen in the Army. As a rule, these are reenlisted servicemen. What prevents us from increasing the number of contract servicemen? The lack of money. It makes no sense to serve in the Army for the same wage as an unskilled worker.

The number of skilled draftees is unfortunately decreasing—virtually, only village boys, recently graduated from school, are joining the Army. At the same time, there is a lack of personnel in technical troops...

By the way, my son is also serving in the Army. I recently telephoned him, and greeted him on the occasion of Border Troops Day. He said: "I am going on duty." —"With whom?" —"With a dog." My son goes on duty with a dog, and he used to work with a computer...

[UKRAYINA MOLODA] **Would you like him to continue his service in the Army?**

[Shmarov] I do not know. I only went through compulsory service. Now I do not serve but work in the Army. I tell all generals this... When I was 18 years old I knew what I wanted. My son, who is also 18, does not know what he wants to do. He thus joined the Army. Let him march in combat boots and learn about life from the inside, and not from Kiev. This will help him chose his future path.

Dyomin on Economic Reforms, Communist Party

AU1811205894 Kiev HOLOS UKRAYINY in Ukrainian 16 Nov 94 p 2

[Interview with Oleh Oleksiyovych Dyomin, deputy chairman of Ukraine's Supreme Council, by unidentified correspondent; place and date not given: "Let Passions Rage, But in the Process of Work on Laws"]

[FBIS Translated Text] [HOLOS UKRAYINY] First of all, Oleh Oleksiyovych, I would like to know why you abstained from voting on the bill on lifting the ban on Ukraine's Communist Party....

[Dyomin] I did not take part in the voting for the only reason that the scene near the Presidium table prevented me from doing so. [People's deputy] Stepan Khmara interfered most impertinently with Oleksandr Moroz presiding over the session and threatened him with reprisals. Neither I nor Tkachenko [first deputy speaker] could vote.

However, I would like to speak about a different aspect of the situation.

I always viewed Communists as a creative force and as an organized and dedicated force working for the good of the people. The memory of millions of such rank-and-file Communists will always remain in the hearts of the Ukrainian people.

Recently, the Ukrainian Television showed the film "Communist," which is, in my opinion, one of the best and most humane films about our people's complicated and difficult history. This image of a Communist has been and will remain an example of serving the nation. This is not lyricism, but my sincere conviction. I hope that this is precisely the way in which the voters picture their communist deputies.

I regarded as my main personal task the work in the sphere of the agro-industrial complex, at construction sites, which were an integral part of my life—the building of agro-industrial facilities, housing, hospital, schools, vegetable stores, sugar factories, and many others, as well as work on socioeconomic development that could be conducted at that time. It was the main task of [Communist] party organizations. I will say that, if today's reforms, about which there is so much talk, had been conducted with the stringent system of accountability and control that existed in those times, the people would not have been driven into poverty and Ukraine would have advanced far on the road toward strengthening its independence and economic development.

However, today, unfortunately, not a single party, including the Communist Party, has such a smooth system of accountability or control. That is why there only remains one thing: By force of one's conviction, principle, and common sense to work selflessly in order to create and build a normal economy and proceed further along the road of creating good laws and stringent control on the part of the state. There is no other way.

I am convinced that all deputies—Communists, Rukh [Ukraine's People's Movement for Perestroyka] members, Socialists, Republicans, and those who have never been affiliated with any party—must direct their efforts precisely at that.

The Supreme Council and all its commissions must work hard in order to draft and adopt a package of economic laws, which are envisaged in the Ukrainian Presidential Program and which must push the reforms from their deadlock.

It is possible to speak about a moratorium on political issues, but it is also possible for the Presidium to organize work in such a way that the session would primarily discuss the most relevant and timely laws.

Today, priority must be given exclusively to economic issues. When there is fire in the forest, all living things there do not settle accounts, but try to save themselves in a concerted manner. We must also try and learn nature's wisdom. Incidentally, this is precisely what our voters expect from us.

We must spend our energy and intellect in commissions over working desks instead of raising hysteria in the session hall.

I am sure that the HOLOS UKRAYINY of the Communist Party will be considered in conformity with the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Constitution. The disgraceful label must be lifted from millions of honest working people. However, it must be discussed after passions settle and when the situation in the economy stabilizes somewhat with the help of all those people who have been Communists and consider themselves Communists.

[HOLOS UKRAYINY] What would you say about the government's first steps in the implementation of the presidential program for market transformations?

[Dyomin] Without jumping into the water, one cannot learn how to swim. However, in order not to drown, one needs to know the depth of the river and the velocity and direction of the current. That is why, before making the first decisive steps, we should have made corresponding calculations and analyzed possible models of the development of events. Unfortunately, this wasn't done in time.

Second: I realize that it is not simple to make these calculations, and the course of price liberalization and its effect upon the social situation are difficult to predict.

However, already now that the process has started (although not in the way the government envisaged in its decrees), the government must do everything possible and necessary to ensure its strict organization and to establish stringent control over it and its timely adjustment.

I insist once again, and I did so at the session of the Council of Regions, that it is necessary to ensure the complete, easily understandable, and efficient information of the population about the course of the price liberalization process and its effect upon the economic situation and the state of production. The population must also know about the measures for social protection that the government is taking and that are being fulfilled in provinces. Such information is contained in that part of Vitaliy Andriyovych Masol's speech where he quotes the rising rates of production in August, September, and October. This information is very interesting and useful, and its influence upon the public opinion in the country, where people always reacted not only to price hikes, but also to growing rates of production, is very great.

Once again about the organization of this undertaking. The lack of clarity in its implementation led to a distortion of the process of price liberalization in provinces. If we conduct a single state policy, it must be binding for all.

The center's actions must be coordinated with regions, but they must also be mandatory for regions. The vertical distribution of power must be distinct and efficient.

This once again confirms the urgent need to adopt a law on local power as soon as possible.

Yet another thing. Unless there is discipline and order in the country, there can be no hope that the people's life will improve.

Discipline and order start from the "head." In such a time, when important decisions are being adopted—on price liberalization and on the stability of the currency circulation—top officials, who are expected to resolve these questions, should not go on trips. How can they be away at such a time? They must stay put and work day and night!

I understand that it is necessary to go on trips and make visits abroad, and so on, but now it is necessary to be at home and work. These are also elements of organization and discipline about which much is being said, but, unfortunately, very little done.

[HOLOS UKRAYINY] What can you say about the fact that the Supreme Council decree on price liberalization was not adopted?

[Dyomin] Price formation is of the utmost importance, and it will play a fundamental role in future reforms of Ukraine's economic life. The situation that has taken shape today points to the need to look for a way out of the most complicated problems. One should not hid ones head in the sand, as was done by some deputies who refused to vote. It is necessary to think and act.

The government has admitted that the wild increase of prices was largely due to violations in the legislation, mainly in provinces. That is why the government, the Procurator's Office, and the Antimonopoly Committee must urgently carry out the necessary inspection, take strict measures to establish order in price formation, settle the situation, and inform the Supreme Council and the public of the results.

It is time we realized that every step, primarily in implementing economic reforms, must be thoroughly thought out and substantiated, and mechanisms for implementing reforms must take into account previous experience so that future mistakes can be ruled out. The government must also take into account the fact (which was also, incidentally, stressed by the Ukrainian president) that popular patience has already been exhausted.

Even though the decree was not adopted, which is a very unfortunate fact, the debate that took place at the session suggested to the government that it must take measures, first and foremost, to ensure social protection, conduct the indexation of the population's deposits, cancel previous payments, and do other important things.

Low Voter Turnout Cancels Most Contests

AU2111125194 Paris AFP in English 1111 GMT 21 Nov 94

[FBIS Transcribed Text] Kiev, Nov 21 (AFP)—Only nine deputies were elected at the weekend in by-elections that attracted few voters and forced the cancellation of the poll in 42 of the 55 contests, the electoral commission said Monday [21 November].

It said 39.9 percent of registered voters took part in the vote carried over from parliamentary elections last

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

spring and seen as a test of popularity for reforms set in train by President Leonid Kuchma.

Parties opposed to Kuchma's reforms—Communist, Socialist and Agrarian—saw none of their 44 candidates elected Sunday.

Of the nine candidates chosen by voters, three were representing the Republican Party and six were running as independents.

A second round will be held on December 4 in four constituencies where none of the candidates received the needed absolute majority.

The 42 other constitencies which did not achieve the necessary 50 percent turnout will have a second round which is to be organized by the electoral commission at a so far unspecified date next month.

One official with the commission said that by then parliament may have amended the country's electoral law to make it less restrictive and more flexible.

In general elections last March and April, only 394 seats in the 450-seat parliament were filled.

The by-elections were the ninth time polls have been organised in Ukraine since Kuchma was elected in July.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kazakhstan

Premier Kazhegeldin Meets EBRD Delegation

LD2111174094 Almaty KAZTAG in Russian 1400 GMT 21 Nov 94

[FBIS Translated Text] Kazakh Prime Minister Akezhan Kazhegeldin has received a delegation from the European Bank for Reconstruction and Development [EBRD], led by Rolf Westling, the head of its Uzbek-Kazakh Department.

Westling briefed the government head on the results of a preliminary study by the EBRD of draft projects, aimed at modernizing the republican banking system and a number of specific enterprises. It was noted that a sum of 200-230 Ecu [European currency unit] will be granted to Kazakhstan in case of their practical implementation. A credit of 100 million Ecu will be granted to Kazakhstan's private sector before the end of the year.

Among the projects, Westling singled out the construction of a pipeline for transporting oil, which is being extracted in the Kazakh part of the Caspian sea area. He also spoke about the development of deposits of hydrocarbon resources, gold, and polymetals. The bank has shown interest in investing its funds into laying oil pipelines along with other participants, and is prepared to undertake the role of the coordinator of the project.

Kazhegeldin highly assessed the bank's plans and expressed hope that all the paperwork related to the allocation of credits will be facilitated. Westling said that the bank will make the necessary amendments to its plans related to Kazakhstan. However, he said that Kazakhstan should improve its legislation with a view to protecting foreign investments and creating material incentives.

Also attending the meeting was Yatsek Bzhezindskiy, the leader of the bank's branch, which has been recently opened in Alma-Ata [Almaty].

Congress Party in 'Constructive Opposition' to Nazarbayev

LD2111154994 Almaty NARODNYY KONGRESS in Russian No. 14, Nov 94

[FBIS Translated Text] After a relatively long period of silence, the People's Congress Party of Kazakhstan drew attention to itself a week ago. It held a plenum [29 October] which issued a resolution stating that the People's Congress Party of Kazakhstan "from now on... is in constructive opposition to Kazakh President Nursultan Nazarbayev and his administration," and that it is ready to establish an opposition bloc "in order to fundamentally change the course of the reforms now being conducted in Kazakhstan by holding democratic elections and renewing the supreme bodies of authority in the Republic of Kazakhstan." These are the strongest statements yet from a party that is so apparently loyal to the president.

The Kazakh media has not failed to pick up on this political sensation. They have either published the documents of the People's Congress Party of Kazakhstan plenum or else provided detailed commentaries on them. Party leader Olzhas Suleymenov answers questions put by KAZAKHSTANSKAYA PRAVDA.

[Question] In any democratic society parties become more active before elections. Should we read the outcome of the recent People's Congress plenum as marking the start of an election battle?

[Suleymenov] Yes.

[Question] The stability of the sociopolitical situation in the republic can unreservedly be regarded as an achievement, something which you noted in your report to the plenum. The shift by the People's Congress to the status of opposition party could aggravate the situation in the country. This is cause for concern.

[Suleymenov] We have criticized the present administration because its economic and social policies are aggravating the situation by provoking tension. The people's reserve of trust and patience are being exhausted, and this may lead to quite predictable results. We do not want chaos.

[Question] At the plenum you said that there is growing nostalgia for the communist past, a past that was at least not a time of hunger, if not of great abundance.

[Suleymenov] This mood, too, should be regarded as one of the main achievements of the present administration, where a link is made between totalitarianism on the one hand and tranquillity and well-being on the other, while independence, freedom, and democracy are associated with growing hunger, mass impoverishment, and uncertainty about the future. We have the right to seek to give these great words their true meanings before it is too late.

[Question] Your party has always supported the president's policies throughout the three years of its existence.

[Suleymenov] His political policies, yes, but not his economic ones. We favor peace and accord, but political stability can be destroyed by plummeting living standards.

What kind of market have they brought us to? A market based on competition lowers prices, a monopolistic one increases them. Because of the lack of competitive manufacturing on a mass scale, a crude, low-productivity monopoly market has formed. Take, for example, the recent freeing of bread prices. It benefits only the state "joint-stock" company Astyk, which has concentrated in its own hands the entire wholesale purchasing, processing, and sale of grain. Do the peasants who produce the grain benefit from this? They get 18.9 percent of the bread price, 10 percent goes to the trade organizations, while the Astyk "joint-stock" company earns over 70 percent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The peasants, meanwhile, have not been paid for the breadgrain from last year's or this year's harvest. How are they to survive? How are people who buy bread in the shops for American-style prices to survive? It would be acceptable if wages, too, were American. The minimum wage in the United States is now close to $1,000 a month, while here it is about $2. That's why the "free prices" slogan of the current government program would have been more correct if we had first of all supported freedom for competitive goods production.

[Question] Kazakhstan is confidently "signing up" for the world community. It is developing an image. Doesn't political rivalry hinder this process?

[Suleymenov] Yes, more than 100 world states have recognized our republic. There is nothing extraordinary about this, and nothing that anyone can claim credit for. The same number of UN member states have also recognized Turkmenistan, Uzbekistan, Georgia, and the other former Soviet republics. This is the delighted reaction to the collapse of the "Evil Empire" from a world grown tired of the Cold War. What it is more important is that the people in these new states should accept that they are independent and content themselves with this.

The world knows all about us, and we should not be deceived by diplomatic niceties. We are not a banana republic, but a once-powerful industrial and agricultural republic. We are in a position to distinguish an indulgent pat on the back from sincere respect. We can revitalize ourselves and move ahead. Competition between constructive programs is the point of political competition.

We are developing a new program of development for Kazakhstan, and its philosophy differs from the ideology of the government program, which is very simple—the survival of the fittest. That is the law of the jungle, where there is no mercy for the sick or the weak. It is appropriate for the criminal world, which is why that world is well developed here. That is how a humane society, inculcated with moral precepts of a different order, can be distinguished from other forms of society. A society that has lost its culture and that renounces a tradition of compassion and mutual assistance developed over thousands of years is on the downward slide to a primeval existence. We must resist this and create a life worthy of human beings.

Justice Minister: President's Office Blocks Reforms

LD2111135694 Moscow ITAR-TASS in English 1222 GMT 21 Nov 94

[By KAZAKH news agency correspondent Tatiana Zhurbenko]

[FBIS Transcribed Text] Alma-Ata [Almaty] November 21 TASS—Kazakh Justice Minister Nagashybay Shaykenov has accused President Nursultan Nazarbayev's office of getting in his way and blocking law reforms. The minister said that state adviser Kayrbek Suleymenov was one of the main opponents of the reforms.

Shaykenov recalled that under the president's decree, the justice minister is responsible for the law reforms. However, other legal departments have been authorised to work out laws, the minister said.

According to Shaykenov, opponents of the reforms plan to revise the law reform programme.

Karimov Pardons Five Opposition Leaders

954K0325A Moscow NEZAVISIMAYA GAZETA in Russian 4 Nov 94 p 3

[Article by Albert Musin: "Five Dissidents Pardoned; Dozens of Less Known Dissidents Remain in Prison"]

[FBIS Translated Text] The government newspaper NARODNOYE SLOVO on 2 November published the 1 November edict of Uzbekistan President Islam Karimov concerning the pardon of a number of political prisoners, for whose release the public was fought for a long time.

The edict states: "Having examined the appeals of the convicted persons for a pardon and the proposals of public organizations in connection with these appeals pardon and release the following from serving their sentences:

"1. Atanazar Arifov; 2. Nasyr Idrisaliyevich Sakirov; 3. Alimov Pulatzhan Okhunov; 4. Inomdzhon Tursunov; 5. Salavat Khayrullayevich Umurzakov."

The first on this list undoubtedly should be the name of Okhunov. The 32-year-old Pulat Okhunov—an activist of the Birlik People's Movement who by an oversight of the authorities became a deputy of the last USSR Supreme Soviet, aroused the strong exasperation of the public with criticism of the authorities and especially through participation in the commission on the investigation of the activity of the GKChP [State Committee for the State of the Emergency]. In August 1992, as a result of the slander of a recidivist who was promised release from penalty, he was accused of "malicious hooliganism" and for the first time was sentenced to a prison term of one and a half years. Not long before his release, he was prosecuted again—this time for "the possession of narcotics and an assault against an employee of the prison guard staff"—he received another three years. A new criminal case was filed against him recently "for malicious nonfulfillment of administration requirements." In conclusion, Okhunov was continuously subjected to oppression. He was recently in a camp medical unit in connection with the critical state of his health after a long stay in a punishment cell. Okhunov formally fell under amnesty three times, but he still was not released. This year, a UN working group on arbitrary arrests declared Pulat Okhunov illegally convicted.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Atanazar Arifov, a 56-year-old professor and doctor of sciences and secretary of the central council of the Erk Party, was arrested for the first time in December of 1992 for participating in an initiative group for the creation of a "Milli Majlis" [people's assembly], which was classified by the authorities as a "plot for the purpose of seizing power," and in August 1993 he was put on probation for five years. In March of this year, in the period of mass arrests associated with the dissemination of the Erk newspaper, he was sentenced to serve a full prison term on the previous sentence. Arifov is suffering with a serious form of allergy.

Nasyr Zakirov, chairman of the Namagan Oblast organization of the Birlik movement, an artist, and a freelance correspondent for Radio Liberty, was arrested in November 1993 on a charge of possessing weapons and narcotics—a standard method of neutralizing oppositionists—and was sentenced to two and a half years imprisonment in a maximum security colony.

Inomdzhon Tursunov, a former leader of the Fergana Oblast Erk Party organization, a deputy of the Supreme Council of Uzbekistan, and a theater director, was sentenced in February 1993 to two years imprisonment on a charge of hooliganism and resisting a militia employee.

Journalist Salavat Umurzakov was arrested in May of last year for participating in the Milli Majlis group and was released in August, having received a three-year probation. He was arrested again in March of this year, charged with the dissemination of the Erk newspaper and sentenced to serving a full term in connection with the conviction in the Milli Majlis case.

Dozens of other less well-known Uzbek dissidents remain in prison. Moreover, information continues to come in about new arrests for political reasons. On 11 October, for example, Dadakhon Khasanov, a very popular bard and one of the founders of the Birlik movement, was arrested and charged as usual with the possession of narcotics and weapons (cartridges). It is assumed that Khasanov was arrested in connection with the fear of the authorities that the people could demand the submission of his candidacy in the elections to the Oliy Majlis [Supreme People's Assembly].

Last Saturday in Tashkent, a search was conducted in the apartment of Ibragim Buriyev, a member of the presidium of the Birlik movement, the chairman of the Social Progress Party, and a former secretary of the Zeravshan city committee of the Communist Party and chairman of the Navoiyskiy Oblast executive committee. In the presence of his son Dmitriy—a student of the local military school—in a repeated search of a desk drawer, seven cartridges for a Makarov pistol were "found" wrapped up in a rag. (Buriyev expressed the thought earlier that an attempt would be made to isolate him in some way in order not to permit his participation in the campaign for election to the Oliy Majlis.) His whereabouts are not known at the present time.

Two court cases were started simultaneously last week in Tashkent against oppositionists. The Supreme Court is examining Case No. 300 (NEZAVISIMAYA GAZETA reported on the preparations for this on 23 October); however, the trial, in fact, has not started yet, because of a lack of lawyers, whose presence is necessary in connection with the exceptional gravity of the filed charges ("a conspiracy for the purpose of a violent overthrow of the existing system"), which envisions punishment up to and including the death penalty. It is now known that all of the lawyers (six of them are women) were appointed by the authorities, and the free hire of lawyers was either refused or the accused cannot hire any for lack of resources.

Many facts indicate that Case No. 300 was incited for the purpose not only of punishing the organizers of the dissemination of the Erk newspaper, but also to discredit the opposition entirely by accusing it of extremism.

A case is going on in the Tashkent city court against Mamadali Makhmudov, the chairman (before the arrest) of Uzbekistan's Culture Fund and a well-known writer, who was also arrested in March in the course of the campaign to fight the dissemination of the seditious newspaper. He was accused simultaneously on seven counts, which also includes "the illegal possession of weapons and narcotics."

On 29 October in Tashkent, with the assistance of Uzbek intelligence services, Mukhammedkuli Aymuradov and Khoshali Garayev, representatives of the Moscow Turkmenistan Fund, were arrested and taken to Ashgabat. There is still no information on the charges against them, but the name Aymuradov figured in a NEZAVISIMAYA GAZETA article of 21 October, where he was called one of the co-participants in the theft of a large sum in currency from Turkmenistan's state treasury.

Avdy Kuliyev, the president of the fund and a former minister of foreign affairs of Turkmenistan, explains the fact of the arrest of Aymuradov and Garayev as being motivated exclusively by political reasons. He called the accusations cited in the indicated article "lies and slander," undertaken for the purpose of discrediting the leadership of the fund. Kuliyev reported that he appealed to the U.S. Ambassador to Turkmenistan Joseph S. Hulings with a request to assist in clarifying the fate of the arrested men.

The leadership of Turkmenistan's KNB [National Security Committee], at the request of the ambassador, however, declared: "We do not have such people." Nevertheless, relatives of the arrested persons were able to establish through unofficial procedures that they were being held by the KNB.

In connection with the fact that Aymuradov and Garayev are registered in Russia and are thus considered its citizens, the investigation of the Tashkent incident was also joined by the Administration of Humanitarian

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cooperation and Human Rights of the MFA [Ministry of Foreign Affairs] of the Russian Federation headed by Teymurazov Ramishvili.

Several oppositionists were also arrested or interrogated recently in Turkmenistan itself, including writer Khuydayberdy Khally, the cochairman of the Agzybirlik movement. Murad Esenov, general director of the Turkmenistan Fund, suggested that these actions are associated with the fact that their names were indicated in a notebook that was stolen from him during a recent attack on him (Esenov) in Moscow.

State Government Organs Restructured

954K0301A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 5 Nov 94 p 1

[KAZTAG report: "State Government Organs Restructured"]

[FBIS Translated Text] In connection with the transition to market relations, the system of organs of state government in our republic has undergone repeated changes in a short period of time. New ministries and departments have been established. Sector ministries have been eliminated and state concerns based on them have been established which, prior to this as a rule, were located in the capital and fulfilled functions of former ministries.

The only thing that remains unchanged is growth of the governmental apparatus. As we know, ministries and departments were previously afforded the right to independently confirm their own structure and personnel staffing. This led to a situation where exceedingly cumbersome structures were established in a number of ministries and local organs, breeding countless numbers of managers. This, in turn, created organizational confusion and denigrated the responsibility of the work performers.

Toward the middle of this year, the structure of republic organs of state government included 43 ministries and committees, and 15 central boards, agencies, and other departments within the Cabinet of Ministers.

With the aim of perfecting the system of organs of state government, the 15 July presidential edict "On Development of the Structure of Organs of State Power and Government, and Reduction of Expenditures for Maintaining Them" and the 3 August decree of the Cabinet of Ministers "On Reducing Numbers of Personnel in the Apparatus and Expenditures for Maintaining the Organs of State Government" were promulgated.

In connection with the measures being undertaken, as Berdibek Saparbayev, head of the Department of Finance, Labor, and Social Protection of the Populace of the Administrative Office of the Cabinet of Ministers, stated to our KAZTAG correspondent, eight republic ministries and departments have been removed, and as of 1 September 1994 there are 35 ministries and committees, and 11 central boards, agencies, and other departments within the Cabinet of Ministers.

Effective 1 September, throughout the republic overall, 15,359 government employees have been laid off, with a wage fund of 262.682 million tenge, and 1,805 official-use vehicles have been dropped, with maintenance expenditures for them amounting to 183.528 million tenge on an annual basis.

The total amount saved through reductions in the number of government employees and other expenditures comes to 525.015 million tenge.

With the aim of bringing the structure of the organs of state government into conformance with requirements of the transition period, in the words of B. Saparbayev, norms have been established with respect to numbers of executive personnel, specialists, and office workers of the central apparatus of ministries, state committees, departments, and other government organs. The Cabinet of Ministers has been afforded the right to approve the structure of the central apparatus of ministries and departments. A limit has been established on gasoline consumption for official vehicles.

In addition, The Ministry of Economics, jointly with a commission of the European Community, is developing a concept for perfecting the management structure of the republic economy under today's conditions.

Dzhaganova on New Government, Transition

954K0326A Almaty SOVETY KAZAKHSTANA in Russian 9 Nov 94 p 2

[Interview with Altynshash Dzhaganova, chairman of the Committee on Culture, the Press, the Mass Media, and Community Associations, by Vladislav Vladimirov; place and date not given: "Altynshash Dzhaganova: 'I Believe That Politics Should Be Conducted With Clean Hands'"]

[FBIS Translated Text] *Altynshash Kairzhanovna Dzhaganova is a famous writer, dramaturge, journalist, and community activist. Over the course of almost a quarter of a century, she has been engaged in book publishing, has worked in the Goskino system, and has edited the journals ZHANA FILM, NOVYY FILM, AND KAZAKHSTAN AYELDERI.*

A deputy to the Supreme Council of the past two convocations. In the previous convocation, she was the chairman of the Committee on the Affairs of Women and the Protection of Motherhood and Children. In this convocation, she is chairman of the Committee on Culture, the Press, the Mass Media, and Community Associations.

[Vladimirov] Altynshash Kairzhanovna, of the 15 committees of the Supreme Council, yours is one of the most important. What does this reflect? What kind of structure does the committee have?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Dzhaganova] It reflects the desire of the new parliament to deal seriously with the problems of the committee. The structure? Three subcommittees. Each has a public consultation council. Famous cultural and artistic figures, literati, and representatives of the mass media, public associations, parties, and movements take part in them. We meet with them regularly, consult with them, draw them into our law-making and other activities. For instance, with their participation we discussed the successive variants of the draft laws on culture, the press, publishing, archives, and public associations. A group of our deputies, jointly with specialists from the Ministry of Culture and the National Academy of Sciences, familiarized themselves with the condition of monuments of history and culture in South Kazakhstan, and with the restoration work on the mausoleum of Khodzh Akhmet Yassavi. Based on the results of this familiarization, the committee's decree was adopted. I dare say that it will promote the improvement of the situation with the preservation, restoration, and museification of unique historical-cultural monuments of South Kazakhstan.... In a word, we try not to lock ourselves up in our offices. We strive to strengthen our communication with everyone who is not indifferent to the fate of our culture.

[Vladimirov] Are you satisfied with the committee's work?

[Dzhaganova] By no means. We are just beginning our activity. We are searching for approaches. And the situation in the sphere of culture, as you know, is most, most difficult. Creative unions are breaking apart. Cultural figures are in confusion. They are protected by practically no one. But the defense of their interests and the interests of culture is possible under today's conditions at least through the adoption of the Law on Culture.

[Vladimirov] What is hindering that?

[Dzhaganova] It is being hindered by the indifference and inertia of those who should be engaged in this matter. It has been almost three years now that the draft Law on Culture has been meandering from office to office, from one hand to another. And we cannot possibly get it officially from the Cabinet of Ministers, despite repeated reminders. The same thing is also happening with the draft laws on the press and on publishing.

[Vladimirov] And why do you yourself not elaborate them?

[Dzhaganova] That is probably what we will do, if the Cabinet of Ministers and its organs continue to delay producing the draft laws. But according to current procedure, draft laws are elaborated by the corresponding ministries and departments, and are introduced to the Supreme Council by the Cabinet of Ministers. And the significance of culture, the press, and book publishing are matters that for society, for its well-being, perhaps, cannot be compared with anything. After all, nothing brings people closer like culture, like art. And it was not I who said that. That was Afanasiy Fet. That was—on the same wave as he—Abay Kunanbayev. That is also the idea of Lev Gumilev and Mukhtar Auezov. Finally, that is an idea common to all mankind.

[Vladimirov] Tell me, are you not bothered by the obvious politicization of those national-cultural centers whose leaders speak out not as the preservers of spiritual values, of national traditions and customs, of the language, but in the role of self-styled leaders, indefatigable tenders of the mother truth, for instance, in the national proportions and correlations of cadre policy, with pencil in hand or with an electronic calculator adding up how many Kazakhs there are, and how many Russians, Jews, Greeks, Dungans, etc., in positions of responsibility in their region?

[Dzhaganova] I share your concern, in principle. Such calculations are especially harmful if they are set off with demagoguery. In such instances they can and must be contrasted with facts, objective views of one's countrymen, current statutes. National-cultural centers, like culture itself, as we have already said, should unite, not divide, people. And so the majority of them do. We get along well with almost all of them, and we rely on many of them in our work. Most of the people in them are remarkable—active, erudite, far-seeing. But, as they say, every family has its black sheep....

[Vladimirov] On the whole, you have a lot to worry about....

[Dzhaganova] You have probably heard the joke: Since the time that Marx said that life was a struggle, living has become impossible. Just recently we all considered ourselves orthodox followers of Marx, although very many people were familiar with him only from the covers of "Das Kapital" and from his portrait. Marx did not say those words. However, this circumstance does not abolish our struggle. In the most literal sense. And in the figurative, the metamorphic—the struggle of views, arguments, discussions. We do not have a quiet life, and it cannot be.

[Vladimirov] And that is probably very significant on the threshold of the creation of our, Kazakhstani, new ideology, which differs from the previous one both in form and in content. Well-known publications of the president of the republic call for its creation—publications like "Without Right-Wingers and Leftists," "A Strategy for the Formation and Development of Kazakhstan as a Sovereign State," "The Ideological Consolidation of Society as a Condition of the Progress of Kazakhstan," and others....

[Dzhaganova] Of course. It depends on all of us—both on the parliament and on the voters—to be a full-fledged ideology and a real culture, and not surrogates. It depends on each man and each woman. With no exceptions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Vladimirov] But then why not see to it that the mass media more forthrightly write about, talk about, and show everything that is turning me and any voter who voted for the president and for the new parliamentarians into the Great Mute? After all—and this can be seen from far away—our mass-information culture is lame in both legs. Some publications—the subsidized ones—have essentially changed little. And others have gone in for the worst, the most scabrous anecdotes, semi-porn, lurid crime stories, a relish of all that is bestial. But the reader has no voice. The very most vulgar output has rushed onto the screen, onto the stage, into the bookstall, onto the air, along with the Snickers and "Rasputin" advertisements. The wild market has cut off at the root everything that is not targeted at the demand of base tastes. In any other civilized country of the East and West, the parliament and the president would long ago have seen to it that the unbridled permissiveness be curbed. And they would not have waited for the adoption of a special Law on Culture or for the introduction of amendments to an already outdated Law on the Press. After all, these do not exist yet. But there are constitutional principles, by which both the Committee on Culture and the entire new parliament are guided.

[Dzhaganova] I understand you well. Such measures are undoubtedly called for. Within the framework of the law and legality, and, as you have expressed it, within the framework of constitutional principles, in the interests of the state and its people.

[Vladimirov] In my view, of all the parliaments of states that previously comprised the "inviolable Union," today's Republic of Kazakhstan Supreme Council is probably the most intellectual. Who in the enlightened world does not know the names and works of Abish Kekilbayev, who heads our parliament? Many of the deputies are people of high state caliber....

[Dzhaganova] As for our parliament, it really is very interesting in its membership. But that in itself does not immediately guarantee that it will work at a high level; it only serves as a basis for this. When the previous Supreme Council was disbanded, people talked most of all about how we absolutely needed a professional parliament. But even if we loudly proclaim parliament to be such, it will not become professional in the wink of an eye. Some time is certainly needed to work out the quality of parliamentarianism, its culture.

[Vladimirov] The Kazakh people have a saying, whose sense boils down to the notion that a caravan takes on symmetry on the move, that is, gradually.

[Dzhaganova] In the original, it sounds like this: "Kosh zhure tuzeledi." And it is the same with our parliament. It is now taking its first, not very confident, steps. Almost 70 percent of its deputies have been elected to the parliament for the first time. Needless to say, they still lack sufficient work experience in a higher organ of legislative power. This tells, of course, both on the quality and on the speed of adoption of laws that are so needed today by our republic and our people. Sometimes we often get stuck in petty details, on procedural questions. Sometimes our movement forward is hindered by a difference in opinion on the approach to this or that problem, which is completely natural, since the deputies represent the most varied strata of the population, their thoughts and their moods. But they are by no means against the development of market relations, are not against the conduct of economic transformations, as some would like to portray it. The parliamentarians pay especially great attention to the social orientation of the economy, to the social protection of the population. Everyone was convinced of this during the adoption of the law on the specified republic budget for 1994, during examination of the problems of the village, during the blocking of the presidential edict on the revocation of benefits to certain categories of the population, and at other times. On this ground certain divergences are taking place with the governmental, executive organs of power, especially in the strategy and tactics of the conduct of economic reform. Are the deputies really against privatization? They are not against it, but they are against today's methods of its conduct, against unjustified forcing, against the pilfering of national riches by a little bunch of privileged rich folk. The parliamentarians are for a variety of forms of property during the transition period, and for a scientifically based, just taxation and credit policy, which would stimulate the development of production and the raising of the economy. In spite of all of this, one sometimes hears voices to the effect that parliament, if you please, is dragging us backward, that it is against the economic reforms, against the government and the president. Nothing of the sort. Parliament simply has its own approach to the resolution of existing problems, its own vision of the prospects of the republic's development. And it is not necessary to look for enemies where simply none exist.

[Vladimirov] In my opinion, you have convincingly delineated your vision of today's parliament, so to speak, its real image and main purpose. You were a deputy and the chairman of a committee in the last parliament as well. What would you say about the premature "demise" of that parliament and the prospects for the existence of today's parliament?

[Dzhaganova] The previous parliament, of course, had become obsolete, as everything old must become obsolete. It was a creature of its time. In this sense, I agree with its demise. But I do not agree with the methods and means that were applied here. The hastily and crudely performed spectacle of the Supreme Council's self-disbandment left an unpleasant feeling in one's heart. The telephones were disconnected. Offices were sealed. One was not allowed near the building. We felt like some kind of humiliated, offended, spat-upon folk. But surely we were not criminals, and still less enemies of our people and our republic? I believe that that was an uncivilized approach to taking leave of one's parliament and its deputies, however unsuitable they might have been. And if one is to speak about the greater scheme of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

things, this was a special parliament, an historic one in the many-centuries-old life of our people. It was the one that proclaimed the independence of our state in the new conditions. It was the one that adopted the new Constitution of sovereign Kazakhstan. It was the one that swore in the first president of Kazakhstan. It was at this parliament that the symbols of our state were approved—its state seal, flag, and anthem. It was at this parliament that all the fundamental laws connected with the economic reforms were adopted. It was the one that raised our president onto a pedestal of honor, and reliably gave him everything he asked for. Can such a parliament really not have deserved to have been dispatched to the storehouse of history with respect? Unfortunately, this did not happen.

[Vladimirov] Perhaps this is the universal, extremely difficult to overcome style of postsocialism in politics, and politics, as is well known, has at no time distinguished itself for any particular sterility?

[Dzhaganova] Possibly it is. I believe that politics should always be a thing that is subtle, delicate, and that it should be conducted with clean hands. The politician in his activities has a duty to let himself be guided by high moral principles, to stand at the apex of the bright ideals and aspirations of his people. Otherwise, his every action will turn into tragedy for all of society and for his own people. I do not agree with the words that are often uttered to justify oneself: "Politics is a dirty business." Things get dirty in dirty hands.

[Vladimirov] Excuse me, I interrupted you....

[Dzhaganova] If one is to speak of today's parliament, here also things are not very calm at times. There are deputies for whom the more discord around, the better. And this comes not from any moving of the soul, not from any argued motives, not even from emotion. No. The desire to create a disturbance is dictated, in my opinion, by some kind of political motives. Including from the outside. Can it be that this is not bespoken by the concentrated attack on the Supreme Council at times, verbally, in the press, and in the lobbies, accusing it of both existing and nonexistent sins. Happily, reason has prevailed. This, of course, gives hope and inspires optimism concerning the peaceful development of events in the near term. But, as they say, time is the judge of everything. One must always remember that if the new parliament is restrained, or is pulled down from within with all kinds of wrangling, then tomorrow all our bright hopes and aspirations would give up the ghost. Hopes for real democracy. For a civilized life for all Kazakhstanis....

[Vladimirov] And how, Altynshash Kairzhanovna, do you see the hypothetical variant of a bicameral parliament in Kazakhstan?

[Dzhaganova] According to that scheme, a "pile" of professional parliamentarians would form, and the rest would combine their deputy obligations with production and other obligations in the place they were elected, and shuttle between there and parliament. At present, in my opinion, this idea in practice will yield nothing but the weakening of a still not firmly established parliament.

[Vladimirov] And the presidential republic variant?

[Dzhaganova] Everything here depends on the scale of the personality of the president himself, who would be capable of creating such a republic. I do not have President Nazarbayev specifically in mind here. I am speaking in general terms. If you would like to know my opinion, I believe that during a transition period, such as we are now experiencing, a strong executive power and a strong parliament are needed. Only a democratically elected parliament together with a democratically elected president will become a guarantee and security that our young state will not become an authoritarian one, a dictatorial one. Neither the parliament nor the president should distance themselves from each other; they should understand and support each other.

[Vladimirov] What is your evaluation of the opinion that the state should be governed by rich people?

[Dzhaganova] I still cannot agree with this. Is a bunch of rich folk, and who knows how they got that way, really capable of leading the people? Do the people really trust them? Whatever they say, the true creator of history and the moving force of society is the people. We need to rely on the people, we need to count on the people. They will certainly bring forth outstanding figures from among their ranks. Our great mistake and vexatious omission was that we did not move the people, the masses of the people. They remain apathetic to our work, sideline spectators; they do not much trust or understand the reforms we have undertaken. Not a single state in the world has ever achieved success without being supported by the people. One must not forget this for a minute.

[Vladimirov] On your desk is a volume of Diogenes Laertes. This book is honored by everyone who loves the boundless sea of ancient thought and the air of genuine ancient civilization. What is this—a talisman? Or is it for your soul and heart?

[Dzhaganova] You see, the world has become so complicated that in spite of oneself one wishes for wise simplicity and the simplicity of wisdom. To this we were called—both Kazakhs and Russian—by the great champion of our eternal unity, our common conscience, Abay Kunanbayev. Now one perceives completely differently than just a short time ago his ethical-philosophical "Exhortations," his poems "Masgud," "The Legend of Azima," "Iskander".... Now we are being returned, literally from the other world, from nonexistence, Bukeykhanov and Aymautov, Baytursunov and Dulatov, Shakarim and Chayanov.... So the moral support of every even slightly thinking person is getting firmer.... Notice that despite colossal difficulties, there are coming to be more devotees in the sphere of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

spirit, although sharp changes in life have greatly altered the signs to their direct opposite....

[Vladimirov] Can you not give their names?

[Dzhaganova] Why not! Take, for example, a member of our committee, the famous literary man Ivan Pavlovich Shchegolikhin. It seems to me that he sensitively captures the deep processes of social life, and he fights on solid grounds for the affirmation in our Kazakhstani society of ideological consolidation, a high legal culture, civil accord, true freedom of speech, and freedom of conscience. His novella "The Yellow Wheel," which was recently published in the journal PROSTOR, summons up a great number of reflections.... My fellow Akmola native, the poet and publicist Vladimir Romanovich, at a most difficult time took on the publication in Akmola of the literary-artistic and sociopolitical journal NIVA. In four years, the journal has discovered 300 new literary names—Russian, Kazakh, Ukrainian, German, Korean, Chechen. Now Gundarev is setting about the publication of a new newspaper—STOLICHNYY PROSPEKT—as well. In Almaty, Yelena Shatskikh and Yuriy Shaporev publish the journal STAYLING—extremely intellectual and original—plus several substantial newspapers. Leo Vaydman, Gerold Belger, and Aleksandr Shmidt publish the German-Russian almanac FENIKS, which is read not only in Kazakhstan. It is known in Russia and in Ukraine, in Germany, Austria, and in other countries where Germans live.... If everyone set about their business in so capable a fashion, we would long ago have ceased to know any misfortunes.

[Vladimirov] Your certainty is enviable, in the good sense. I have just remembered how, in our last meetings and conversations of 1993, Dinmukhamed Akhmedovich Kunayev, not on a single occasion only, expressed in a variety of ways an idea that is of value to all of us: Kazakhstan, of all the republics of the USSR, should and must be the FIRST to get out of the crisis.... Altynshash Kairzhanovna, even if our parliament expends a great deal of effort on debates, including on those that are obviously fruitless, even if it has only just begun to get stronger in terms of professionalism, nonetheless, we all—voters and deputies—are united in the conviction that only the observance of legality and fairness, civil and inter-national accord can be factors not of fictitious, but of genuine, changes for the better.

[Dzhaganova] One would like to have such unity. It is not a secret: There are those who wish to see Kazakhstan as well in the flames of inter-national discord. And without real consolidation of society, all discourse about civil accord, about culture, about the perfection of democracy, about national and universal values is empty prattle, demagoguery, self-deception. Any inter-national dissension, at any level—at the everyday or at the state level—encroaches first of all on the culture of man and society and destroys it, bringing down individuals on both sides of the "barricades" to the troglodyte level.... We are all in the same boat.... If we, primarily the two major ethnic groups in the republic—the Kazakh and the Russian—shun each other, no good will ever come of this to anyone. It has long been time for all of us to understand that together with all other peoples that God granted to the ancient land of the Kazakhs, we are, were, and historically will still long be the main foundation of the Kazakhstani people. And now we must all must rely not on providence and not on an uncle from abroad or very respected coreligionist shareholders, who are ready to share with us our natural and spiritual wealth, but on ourselves. On our honesty. On our competency. On our intellect and professionalism. On our industriousness, which has been demonstrated not just once and not just twice. On our ability justly and in civilized fashion to resolve the most complicated problems. And not to fall into illusions....

Sociopolitical, Opposition Movements Seen

954K0327A Almaty SOVETY KAZAKHSTANA in Russian 9 Nov 94 p 3

[Article by Murat Arenov, director of the Information and Analysis Center of the Supreme Council, and Sergey Gmyrya, consultant of the center: "The Political Fall in Kazakhstan"]

[FBIS Translated Text] The calender fall has traditionally marked the start of the political fall—a period of a sharp exacerbation of the political struggle and a growth of the discontent of the population concerned with the procurement of food and fuel for the winter, the start of the academic year, and a search for money for these and other needs.

The opposition, having prepared in advance for its fall protests, will try in this period to take maximum advantage of the crisis situation in society for an increase in its political capital. With frequent articles in the press and appearances on television and radio and during numerous encounters between the deputies and the electorate at meetings and demonstrations (particularly in the northern oblasts of the republic) and also in the course of keen debate over the adoption of the Supreme Council Decree "On Results of the Meetings of Deputies and the Electorate" the opposition has attempted to create in society an opinion about itself as a real political force that has an alternative reform program and is capable of leading the country out of the crisis.

In response to the harsh criticism of the executive and the "Government Action Program for an Intensification of the Reforms and a Way Out of the Economic Crisis" that has been adopted by the republic Cabinet of Ministers, the president has demonstrated unbending political will for a continuation of the liberal reform policy. His resolve to follow the charted course has been noted repeatedly in analytical articles in the Kazakhstan and foreign press.

The main destabilizing factor raising the political temperature in society and exerting a determining influence

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

on the process of exacerbation of the political confrontation is the critical socioeconomic situation. The intensification of the decline in production in industry and agriculture, substantial in its proportions, had continued by the start of fall.

A recession is a favorite topic of the opposition in any country. It sees it as a direct consequence of the activity of the government. In the period of the cereals sowing campaign and the start of the harvesting the opposition predicted catastrophic results and painted a picture of inevitable starvation and, consequently, inevitable social explosion. The objective situation as regards the harvesting of grain crops as of the end of October was as follows: 19 million tonnes of grain had been threshed, which is the average indicator of the gross harvest of recent years and will make it possible to cater for the domestic need for grain and to export a considerable quantity of it.

In the opinion of the opposition, certain successes in the suppression of inflation have been achieved at a price of the underfunding of budget expenditure, an intensification of the arrears crisis, and a further exacerbation of the decline in production. The rate of inflation that has been achieved here remains too high for the maintenance of the normal reproduction process. The number of enterprises that have come to a halt is increasing rapidly, and manifest and hidden unemployment is growing. The opposition concludes that the country's economy has entered into a state of the catastrophic destruction of the sphere of material production.

At the same time, on the other hand, there has been a certain demarcation in the opposition itself. On the one hand the Respublika center-left bloc (this is how the bloc's leaders define its place in the political spectrum), as the loyal opposition laying claim to the status of independent constructive political force, on the other, the Otan-Otechestvo bloc, which has quit Respublika, as the radical opposition. The process of demarcation has been complex and is not conclusively at an end at this time.

The complexity of this process amounts to the fact that the new bloc has been joined not by parties and movements as a whole, although such a possibility was discussed, but their individual most radical leaders who criticized the Respublika leadership for insufficiently decisive opposition to the government policy of "antipopular," as they believe, radical market reforms. Remaining in Respublika in full are the People's Congress, the Socialist Party, the Legal Development of Kazakhstan grassroots association, the Social Democratic Party, the Zheltoksan grassroots association, and the Federation of Trade Unions.

With a certain degree of conditionality these social and political organizations could by the start of fall have been categorized as centrist, but by the end of September even the rapid dynamics of the political process in the republic had shifted them considerably (except for the social democrats, who have negligible influence) to the left.

What is the alignment of the main active forces in the political arena of the republic? The political parties and movements that occupy the right flank of the political spectrum and that in September unconditionally supported the president and his policy were the People's Unity of Kazakhstan union, which appeared passive against the background of the political activity of the opposition, the Republican Party, and the social and political movement For Kazakhstan's Future, which was born at the Third Entrepreneurs Forum. The movement's Coordinating Committee includes representatives of grassroots, entrepreneurial, and other artistic organizations. Certain employees of the Cabinet of Ministers and the president's staff have expressed a desire to become members of the movement also.

The leaders of the new movement have declared that its main goal is stabilization of the political situation, radical economic transformations, and the social and intellectual revival of society and, as a whole, support for and defense of the president and his policy of radical reforms. The movement hopes in the immediate future to rely on a broad social base, but at the present time it can realistically count only on a very thin entrepreneurial stratum or, as the president said in his speech at the forum, the "fledgling national bourgeoisie."

Aside from the narrow social base, the somewhat sham and blurred nature of the resolutions adopted at the forum may be attributed to the new movement's shortcomings also. But as B. Bayseitov, chairman of the movement's Coordinating Committee, declared at the summary news conference, the upcoming organizational work on the elaboration of a draft charter and program and their discussion at the first constituent congress will make it possible to specify the strategy and tactics of the movement. The initial intention is that the For Kazakhstan's Future group of deputies should be the representative of the new movement's interests in parliament.

The left flank in Kazakhstan's political spectrum has been occupied by a new social and political coalition—the Otan-Otechestvo Citizen's Committee of Social Salvation. The coalition's executive committee incorporates approximately 30 representatives—the republic Workers' Movement, the Communist Party, the Alash Party and the All-Union Communist Party (Bolshevik), the All-Union Leninist Communist Youth League, the Azat, Lad, and Pokoleniye movements, the Russian Community, and the Democratic Committee for Human Rights.

The committee's representatives explain the crisis situation of the republic by the government's mistaken policy and the activity of "traitors and stooges of the world bourgeoisie who seized power by deception—mafia capitalists together with degenerate partocrats, who are securing for themselves the good life on the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sufferings and humiliation of their compatriots, taking advantage of the meekness and passive nature of their victims."

Representatives of the new organization have cited as being among their main tasks the organization of a general political strike, which is described by the committee's members as a relatively peaceful means of pressure on the authorities and is seen as a practicable and impending action since the indigence that is approaching for many is increasing the number of people prepared to become supporters of the Otan-Otechestvo Committee. The members of the committee declare that their unfailing demand is a cardinal change of course in all spheres of state life of Kazakhstan and the resignation of the president.

Such radical demands make it possible to call the opposition headed by the Otan-Otechestvo Committee, as in Russia, "irreconcilable." It should be noted that the opposition in Russia that is called "irreconcilable" is close to the Kazakhstani opposition in terms of its paradoxical political spectrum and its radical demands.

The program proposed by the Otan-Otechestvo Committee is essentially of a clearly expressed antiliberal nature, and it may with every justification be called left. Its principal demands are the immediate restoration of the manageability of the economy; an end to its deliberate destruction; a freeze on the prices of energy resources, transport, basic foods, and the apartment charge. They include a ban on profiteering and financial machinations and the restoration of a single national bank; an immediate end to the plunder of public property in the guise of privatization and the squandering of national resources by foreigners.

An anti-West mood is predominant among the leaders of the coalition, and they are convinced that the prescriptions offered by the West have led to the severe crisis in Kazakhstan. They believe, what is more, that the destruction of the republic's industry is the goal of the West, which is endeavoring to make the CIS countries suppliers of raw material and markets for the sale of second-rate commodities. Only four or five deputies are close to the Otan-Otechestvo coalition in parliament, but they perform an active role in the parliamentary opposition.

The organized political force cleaving to positions of centrism is the Coordinating Council of the Respublika grassroots associations, which is extensively represented in parliament by the factions of deputies of the Socialist Party, the People's Congress of Kazakhstan, the Legal Development of Kazakhstan grassroots association, and the Federation of Trade Unions. The majority of deputies from these factions are a part of the parliamentary opposition headed by the Progress group. As we have already observed, the center forces are showing a clear tendency to move further away from the center, approaching the positions of the radical-left opposition. This tendency is explained, evidently, by the fact that when a country is in profound crisis, the ideology of centrism is unpopular among the electorate, and leaders who profess it are defeated at the elections.

The parliamentary opposition (by the start of fall, as in spring also, the firm nucleus of the opposition was, as before, composed of 60 deputies) is consolidating its ranks on the basis of a reform program that is an alternative to the government course. This program, which has already been presented in raw form to the deputies for initial familiarization, is conceptually noticeably different from the government program, although it does not, as a whole, go beyond the framework of liberalism. The main differences are those in the methods of privatization, the increased social focus of the reforms, a slowing of the pace of the disbandment of the kolkhozes and sovkhozes, restoration of control of state property, and different approaches in the search for means to suppress inflation. The most important difference, however, which is insurmountable, is the rejection of the recommendations of the IMF, which, if followed, in the opinion of the opposition, could lead to social explosion and catastrophe.

The leaders of the opposition are not about to seek confirmation of the alternative program by the Supreme Council, realizing that it would not be legally valid. The strategic goal of the parliamentary opposition are presidential elections, at the start of which it plans to arrive in consolidated fashion with its alternative concept of Kazakhstan's development that is developed and known to society in the image of a constructive political force with which the executive is forced to reckon.

Despite the ideological homogeneity of the programs of the government and the parliamentary opposition, it may be forecast with a great degree of probability that conclusive convergence based on the drafting of a single liberal program will not occur in the long term. On the contrary, the logic of political struggle under the conditions of an intensification of the socioeconomic crisis will force the parliamentary opposition to abandon the ideology of liberalism, and its program, changing constantly, will gradually become left.

The parliamentary opposition will unswervingly draw closer to the leaders of the "irreconcilable" opposition, on the basis of its ideological concept of Kazakhstan's emergence from the crisis, what is more. Of course, this evolution will influence both the composition and the forms of organization of the parliamentary opposition. The same evolution has in reality already come about in Russia, where 21 months before the presidential elections there has been a similar convergence and where the further consolidation of practically the entire opposition of any importance is taking place at this time on the basis of the so-called "Glazyev program," whose concept is called "market socialism."

Nonetheless, promising signs of the establishment of parliament's constructive interaction with the executive, the main sponsor of which has been the president, have

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

been manifested. It is appropriate to recall here the "Support for Interaction and Concerted Work Between the Legislature and the Executive of the Republic of Kazakhstan" agreement, the purpose of which is intended to be the achievement of mutually concerted actions to stabilize the economy and improve the social position of the population, joint adjustments to the reform program, and consideration of alternative proposals for a way out of the economic crisis.

The formation of the Republic Commission for Fighting Corruption and Organized Crime, which includes five deputies of the Supreme Council, has contributed to the constructive interaction of the two branches of power also. The well-known "Urkumbayev affair" also served to take the edge off the sharpness of the unproductive political confrontation between parliament and the government with which September began. It evoked equivocal opinions among the deputies of the Supreme Council and in press commentaries, but the divide in the opinions on this "affair" did not depend on political views, which is explained, evidently, by the atmosphere of strict rejection of all instances of the unattractive behavior of representatives of the authorities that had long since matured in society.

Such, in our view, are the main aspects of the current political situation in the republic.

Official on 'People's Unity of Kazakhstan Union'

954K0341A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 10 Nov 94 p 3

[Interview with Sergey Dyachenko by Raisa Dobraya; place and date not given: "The SNEK Will Become a Political Party"]

[FBIS Translated Text] **The People's Unity of Kazakhstan Union (SNEK) is a grassroots movement, but it has the reputation of being a propresident political force. How is the union operating under the present conditions, what tasks is it tackling? This was the subject of an interview with Sergey Aleksandrovich Dyachenko, deputy chairman of the SNEK Political Council.**

[Dobraya] Sergey Aleksandrovich, a plenum of the SNEK was held recently. What issues were discussed?

[Dyachenko] The plenum was a kind of "check" of the goals and methods of our work against the realities of the present day.

The report of Kuanysh Sultanov, chairman of the Political Council, made, in my view, an objective assessment of the intensifying crisis in Kazakhstan. There has been a serious deterioration in the sociopsychological condition of the public, which has no confidence in any prospective programs offered either by the government or by various parties and movements. And this is perfectly understandable since the reforms that are being implemented in the republic have brought about a wholesale decline in production and the impoverishment of the population. People have become apathetic—this is manifested in the decline in their political assertiveness.

The plenum concluded that it is essential that the union intensify the social focus. The participants supported a policy of closer integration of the new independent states and former republics and President Nazarbayev's idea concerning the creation of a Eurasian union.

We intend also to increase our attention to the decision-making by parliament and the government. Especially since we have more levers of such influence than any other social and political organization. Judge for yourselves. With a membership of approximately 40,000, the union has created its branches in all regions of Kazakhstan, has won the largest number of seats in the Supreme Council, and has the largest faction there. A stimulation of the work of this faction was discussed at the plenum also, incidentally.

The SNEK remains true to the ideals of interethnic accord. It was said at the plenum that interethnic dissension is being fostered by the "wild market." The continued procrastination over economic reforms is fraught with a deterioration in people's lives, and the corrupt clans impeding the transformations will have an opportunity to play the national card. The SNEK, incidentally, has not only supported the idea of social accord but has also embarked on practical work on this issue. The East Kazakhstan and Akmola oblast councils, for example, have already organized the signing of social accord treaties among all formations of the oblast.

The question of a reform of our movement was raised at the plenum also.

[Dobraya] What does this mean?

[Dyachenko] The decision to consider at the next congress the question of the conversion of the SNEK into a party was adopted. It is significant that the initiative is coming from the localities.

[Dobraya] It is well known that the president is the leader of the SNEK. Will he remain such?

[Dyachenko] Yes, especially since in a democratic society the reliance of the head of state only on institutions of the executive is hopeless and since he has to have the support of social and political forces.

[Dobraya] Why has unity between you and the People's Congress of Kazakhstan Party not come about? After all, the election platforms were essentially identical, the action programs also.

[Dyachenko] You speak too categorically about the absence of unity between us, in my opinion. Yes, the election platforms of the SNEK and the People's Congress of Kazakhstan Party truly were very similar on the most important issues, as were the main political action programs. For this reason, on the eve of the elections, we proposed a unification of our efforts in a single election bloc. But, following the Supreme Council's adoption of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the "Elections in the Republic of Kazakhstan" Code, it became clear that we simply were not entitled to do so since candidates for deputy could be nominated strictly from a specific grassroots association.

[Dobraya] The SNEK has been little heard from since the elections.

[Dyachenko] This is true, but the political parties of civilized states by no means remain in a state of constant activity but make their presence felt, as a rule, on the threshold of this important political event or the other.

[Dobraya] And presidential elections are this political event?

[Dyachenko] Yes, the preparations for the presidential elections will begin soon. There will be no shortage in Kazakhstan today of ambitious politicians prepared to enter the contest for the presidency, I believe.

[Dobraya] What can you say about the fact that the People's Congress of Kazakhstan Party has gone over to "constructive opposition" to the president?

[Dyachenko] A perfectly normal phenomenon. And expected even in this situation. If we are speaking about opposition. As regards an interpretation of the "constructive opposition" concept, however.... It would be better here to apply to its authors—the leaders of the NKK [People's Congress of Kazakhstan] Party. I shall not venture to express the opinion of the SNEK or even its Political Council. I shall express my own personal opinion. We have somehow become accustomed to throwing onto the political market not strict concepts but metaphorical appeals. We recall "decisive year of the five-year plan," "an economical economy," "acceleration," and, finally, such a phantom as "perestroyka." In other words, no one ever knew what this meant. In politics it is customary to consider that the opposition means resistance to those in power. A victory for the opposition always means a change of political course and the destruction of what went before. But here—"constructive opposition".... Some third way between loyalty to the regime and disagreement with it.

The time has come, evidently, when the situation may be rectified by a process of the decentralization of power, which signifies the self-government of the regions, and when new, fresh forces come to power. And the present situation, when everything is reserved to the top echelon, is engendering permissiveness and a wide field for personal enrichment locally. People are incensed that many people, not having come to power as yet, are thinking primarily about personal gain, not about the fate of the state.

[Dobraya] What do you think of the government's economic program?

[Dyachenko] A vicious circle is resulting here. As we can see, reform theories are having a hard time taking hold. Nowhere has a mechanism by means of which broad strata of the populace might to this extent or the other be introduced to power, to sources of financing, and, ultimately, to the reforms as such been specified or created.

And we see that all the good intentions contained in the reforms are resulting merely in an accelerating gap in the property and social sense between the elite and the bulk of society. Speaking of the presence of a middle class today is out of the question.

As far as the program is concerned, we consider that the strategic line of economic transformations is correctly charted in principle. It is just that the procrastination over implementation of the economic reforms, the ill-considered nature of privatization, and the people's failure to understand it are giving rise to objections. Nonetheless, our economic lag behind the Baltic republics and Russia is the price we are having to pay for the slowness of these reforms.

In a word, speaking of the new government's economic program, I would say this: I want to believe....

Officials Recall Chronology of Cherepanov Kidnapping

954K0320A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 8 Nov 94 p 1

[Article by Anatoliy Serebryanikov, KAZAKHSTANSKAYA PRAVDA correspondent: "The Ataman Was Found, but Questions Remain"]

[FBIS Translated Text] Dozens of journalists of the mass media of various levels and political shades gathered at a news conference of the administration in the affair of the kidnapping of Fedor Cherepanov, the chairman of the council of atamans of the Verkhne-Irtysh Russian Cossack community and deputy of the Ust-Kamenogorsk city maslikhat [assembly].

M. Kertman, the oblast procurator, recalled the chronology of events. This is already known to many KAZAKHSTANSKAYA PRAVDA readers. But here are new facts. A telephone call was made on 2 November to the duty section of the oblast administration of the KNB [National Security Committee]. An unknown individual set forth new demands. At a specified time, one of the officers of the KNB, already named by the kidnappers, goes along an indicated route, having with him half of the agreed to ransom sum in dollars. The second officer goes along another route with the other half of the sum. At the specified time, the officers went out on the indicated routes. However, no one showed up for the money. But at about 0500 hours on 3 November, Fedor Cherepanov came running to the apartment of his comrade, V. Chernyshev, in handcuffs.

As Cherepanov himself explained to KNB employees, he was kidnapped by unknown persons and was driven outside the boundaries of Ust-Kamenogorsk. He was kept in some kind of straw barn. One of his hands was handcuffed to a wooden post. He was fed bread and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

water once a day. After putting a knitted cap on him that reached to his chin, he was transported somewhere twice at night in a motor vehicle and again returned. According to Cherepanov's words, on the night of 2-3 November, he was again driven out. The vehicle stopped in a forest. One of the guards left. Soon, the second guard also left the vehicle. The driver seemed to have dozed off. Taking advantage of this, Cherepanov quietly opened the door, crawled out of the vehicle, and broke into a run. After several minutes, he ended up in the area of the bridge that crosses the Irtysh in the city of Ust-Kamenogorsk. Chernyshev lived not far away. He headed for his place.

The oblast procurator reported that experienced investigators of the procuracies of the UVD [Internal Affairs Administration] and the KNB were conducting the investigation. He cannot add anymore.

K. Suleymanov, state adviser on the staff of the president of the republic, spoke at the conference. He noted that the event is extraordinary in itself. There are facts in the criminal case that indicate that certain forces would like to ascribe a political character to the kidnapping. However, at this stage of the investigation, everything indicates that the crime was clearly criminal, and that it is not associated in any way with interethnic problems. Therefore, it is not necessary to create an unhealthy hullabaloo about it. The organs have the capability to establish the truth. M. Golovkov, deputy of the Supreme Council of the Republic, laid down a requirement that deputies of the city assembly be present in all investigative actions, and it was decided that a Cherepanov representative will attend all of his interrogations.

Yu. Lavrienko, head of the oblast administration; G. Tokarev, chairman of the KNB administration; and N. Smagulov, chief of the UVD, also answered numerous questions from those in attendance. However, all of them did not fully satisfy the curiosity of the journalists. This is understandable: The investigation is still going on, and it is simply impossible to talk about many things today. And still....

Immediately after this, F. Cherepanov answered journalists' questions. There were also a lot of questions for him. And most of all about the kidnapping itself. According to his words, it happened this way: At about 2300 hours on 25 October, he set out for his father's apartment. But suddenly a Zhiguli overtook him and stopped. At that time, he was struck in the neck from behind and pushed into the vehicle. A young man in the uniform of a militia employee was sitting in it with a pistol in his hand. That is all that he remembers. Then the kidnappers were in masks all the time. All of them, most likely, were of European nationality, although they spoke with a fake accent. Not far from the place where he was held, there apparently was a busy route. Motor vehicles were moving along it, and the barking of dogs and the squealing of pigs could be heard.

Cherepanov himself thinks that the kidnappers gave him an opportunity to escape. The state of his health is now completely satisfactory. He will give the investigators every possible assistance in the search for the kidnappers, although he does not know very much.

Such is the information to be pondered. The news conference was broadcast over TV and radio throughout the oblast. However, as before, a curtain of secrecy covers the affair: But who kidnapped Cherepanov, and for what purpose? Why was he given an opportunity to escape? Will the kidnappers be found? The most unexpected rumors are being spread, and dozens of versions and suppositions. Some are inclined to believe that this is the work of the hands of the intelligence services, and others are accusing corrupt "shady dealers," while still others are hinting that the Cossacks themselves conceived the "kidnapping," and so forth, and the like. There are as many opinions as there are people.

Briefly, the law enforcement organs have to settle all of these questions. And the sooner they do this, the better.

Groups Join To Address Kidnapping

954K0321A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 8 Nov 94 p 1

[KAZTAG report: "East Kazakhstan: The Provocation Has Not Worked"]

[FBIS Translated Text] A number of sociopolitical and religious associations of East Kazakhstan Oblast came out with a joint statement on the subject of the events of 25 October-3 November in connection with the kidnapping by unknown persons of Fedor Cherepanov, a deputy of the Ust-Kamenogorsk maslikhat (assembly of deputies) and a representative of the Rudnyy Altay Cossacks—events that have been at the center of attention of the community in the region and beyond its boundaries.

Fortunately, it says in the document, everything ended well. Cherepanov is alive and unharmed, and he is at liberty. Who organized his kidnapping, and to what purpose, remains for the law enforcement organs to elucidate. But the kidnapping of an individual with the purpose of ransoming him, and attempts to lend this crime a political coloration, are for East Kazakhstan extraordinary events, from which several conclusions are to be drawn.

In the statement a positive evaluation is given the fact that in this extreme situation the state demonstrated a desire to do everything possible for the rescue of the life and liberty of the individual. In a short time, the government of the republic and the leadership of the oblast procured the 55 million tenge demanded by the kidnappers and expressed a readiness to pay the money.

In conditions of a growth in crime, one can often hear criticism of the law enforcement organs. But in the given instance, stress the representatives of the sociopolitical and religious associations, when the criminals had seriously challenged society, one cannot fail to note the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

selfless work in the search for F. Cherepanov that was done by officials of the organs of national security, internal affairs, and the procuracy.

We state with great satisfaction, reads the statement, that the attempt by the provocateurs to destabilize the situation in the oblast failed utterly. The community, political organizations, and East Kazakhstan residents as a whole demonstrated self-control and calm; they perceived this event as a common misfortune and expressed a readiness to do everything for the preservation of peace and accord in the region. The document notes especially the considered approach to evaluating the events and the restrained actions of the Cossackry itself.

At the same time, what happened gave one to understand, more acutely than ever before, how fragile the world is in which we live. This we understand, it is stressed in the document, and it is also understood by our foes, who, exploiting the difficulties that society is living through and the presence of the most acute socio-economic and political problems, will stoop to anything, even such a vile provocation, and for the sake of their bloodthirsty intention, they want to sacrifice accord in our multinational oblast. This is a lesson to everyone, and we must not forget it.

The authors of this statement called upon their countrymen to be vigilant, in word and in deed to strengthen peace and calm in our common home in the name of the children's and grandchildren's future.

Kidnapping Stirs Concern Among Cossacks

954K0357A Almaty PANORAMA in Russian No 44, 12 Nov 94 p 8

[Article by Vladimir Bogovitskiy: "The Upper Irtysh Russian Community Regards Rumors About Fedor Cherepanov's Mental Illness as Planned Subversive Activity Against the Cossacks"]

[FBIS Translated Text] **Details.** On 5 November in the East Kazakhstan Oblast there was a news conference regarding the return to freedom of Fedor Cherepanov, a deputy of the city maslikhat [assembly] and leader of the Upper Irtysh Russian Cossack community. Participating in it were the chief of the oblast administration Yuriy Lavrinenko, state adviser Kairbek Seleymenov, oblast procurator Mikhail Kertsman, chief of the oblast internal affairs administration Nurlan Smagulov, and chief of the oblast national security committee Gennadiy Tokarev.

The oblast procurator related in detail the preliminary information about the investigatory measures conducted by law enforcement organs and clarified the additional demands of the terrorists. In the evening, as was stipulated, two officers went to meet with the terrorists in the region of the pioneer camps beyond the village of Gornaya Ulbinka but nobody showed up to claim the money. Cherepanov's unexpected appearance in the Cossack community headquarters at about five o'clock the next morning produced no information about where he had been kept or who his captors were. The investigation is continuing and there is the hope that all the i's will be dotted soon.

Responding to journalists' questions, Mr. Kertsman said that Cherepanov had been given a medical examination. Slight bodily injury and the consequences of severe stress had been found. Final results of the tests for drugs in Cherepanov's blood had not been received yet. At the present time and until the investigation is over, Cherepanov has been offered protection from workers of the internal affairs administration and the national security committee, and the Cossack community has also provided its own guard.

State adviser Kairbek Suleymenov also presented a viewpoint regarding the incident:

"Representatives of certain social organizations both inside and outside the oblast would like to see interethnic motives in this incident, but we must be patient and give the law enforcement organs an opportunity, without applying pressure on them, to investigate this case and find the guilty parties. I would also like to draw attention to the fact that you representatives of the mass media in covering this case have been guided only by official information, which comes from government organs and the oblast administration. I would like to mention the fact that the investigatory organs have every opportunity to establish the truth and there is no need to politicize the crime. That would entail the most serious consequences. At this stage of the investigation, the totality of materials available in the case makes it possible to draw the conclusion that there were no political motives here."

The journalists also learned about other issues that interested them, but the most intriguing to them was the fact that Fedor Cherepanov himself had not been invited to the news conference, since only the official information of the organs was to be presented there. But at the insistence of Supreme Council deputy Mikhail Golovka, Cherepanov came to the news conference, although he did not participate in it. At the end of the news conference the chief of the oblast administration gave the journalists from state and private television studios a chance in this oblast administration meeting hall to speak with Fedor Cherepanov, who discussed the kidnapping and escape in detail. In the opinion of the Cossack ataman, this should not be turned into an ethnic issue, since his captors were neither Kazakhs nor individuals of Caucasus nationality. The bandits in camouflage were armed with pistols and AKSU [expansion not identified] automatic rifles. It is difficult to say which organization they represent. They did not speak with Cherepanov, and he learned about the monetary ransom and political demands of the terrorists only upon returning to the city. The captive was most likely kept in a rural area, and he was twice taken into the woods for unknown reasons. On the second trip during the night of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

3 November, when the two guards had left and the driver was dozing, Cherepanov decided to escape. After thinking, he came to the conclusion that the terrorists, not expecting such a stormy reaction from the authorities to his kidnapping, decided to create the conditions for him to escape.

To PANORAMA's question of how he managed to cross the highway bridge over the Irtysh in handcuffs without being arrested by the police, Cherepanov answered that it was dark and nobody saw him. In response to a clearly provocative question from one of the journalists about the state of his mental health, Cherepanov reported that in his adolescence he had gone to a psychoneurological hospital regarding excessive sensitivity to attacks on his self-esteem.

The Cossack community is expressing misgivings that this pretext could be used by certain forces who feel negatively toward the Cossacks to try to isolate Cherepanov from society and put him in a psychiatric clinic.

General Procurator on State Corruption

954K0350A Almaty EKSPRESS-K in Russian 10, 11 Nov 94

[Exclusive interview with Republic of Kazakhstan's General Procurator Zharmakhan Tuyakbayev in two installments by EKSPRESS-K special correspondent Erik Nurshin; place and date not given: "Zharmakhan Tuyakbayev: 'Corruption Is Venality of State Employees and Bureaucrats!'"]

[10 Nov p 4]

[FBIS Translated Text] [Nurshin]Frankly, I thought, for the questions I am asking I can easily be kicked out of this office. The "supreme ruler of human destinies," however, whom others characterized as a quite reserved man, talked to me quite openly.

In the recent conversation with Minister of Internal Affairs Bulat Bayekenov, we touched upon the incident of some group score-settling (see EXPRESS-K, 27 October 1994). An Almaty city procuracy investigator was in some way mixed up in it. Could you clarify the situation? I asked Tuyakbayev,

[Tuyakbayev] Basically, what I can tell is that he (city procuracy investigator—E.N.) was leaving his relatives' house. He got into his car. The road was blocked by foreign-made cars. He asked them to move. They said: "You can wait!" They got into an argument. He said right away: "I am a procuracy investigator!" This was when they attacked him. His sister-in-law saw this from the window and immediately called the militia and our investigator's brothers. The other side in the fight were mainly athletes. And they also called their own. Reinforcements came, on both sides. At this point comes the militia and detains them. Our man says: "I work in the procuracy!" And gets a punch in the face. With a rifle butt. So he is in a hospital. We have filed a criminal suit against the militia. There was nothing criminal on the part of the procuracy officer. They do not know each other at all (participants in the fight—E.N.). He, the procuracy officer, introduced himself; he did pull out a gun, since an investigator always carries a gun... Anyway, the investigation will sort it out.

[Nurshin] Who is doing the investigation?

[Tuyakbayev] The city procuracy, but, in order to maintain objectivity, the case will be transferred to a different organ.

[Nurshin] I see; can you tell me what the status is on the...

Urkumbayev Case?

"There is criminal content," said the general procurator, "the investigation is under way..."

[Nurshin] Has he been arrested?

[Tuyakbayev] We did not get the Supreme Council's consent for his arrest. But the measure to secure the appearance in court was applied to him—a pledge not to leave town. He is being questioned.

[Nurshin] What is he being charged with?

[Tuyakbayev] I cannot talk about it yet. There are charges—and more than one count. That is why I do not want to get into details of this case now. When we complete the case and make a final decision, then we will tell.

[Nurshin] Thank you. And how is...

The Turanbank Case?

"Is Andrey Korzhov a fugitive? Or is it just rumors? (Korzhov is the former deputy to Turanbank chairman Beysenov—E.N.)," I ask.

"Yes, Korzhov has disappeared," replies Zh. Tuyakbayev. "He is on the wanted list. Most likely, he is somewhere in Russia."

[Nurshin] What is the gist of the appeal filed against the Supreme Court's decision regarding Beysenov and Korzhov?

[Tuyakbayev] Initially we filed an appeal primarily because the Supreme Court's judiciary collegium on criminal cases, having reviewed the case, returned it for additional investigation. On completely contrived grounds! We always said: "There is nothing to investigate there! The arguments the judiciary collegium cites are absolutely contrived." But at the same time the judiciary collegium changed the measure to secure the appearance in court with respect to both Beysenov and Korzhov, that is, they were set free in the courtroom after they signed a pledge not to leave town. We appealed

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

this! With respect to Korzhov, the Supreme Court agreed with us. Having learned of this decision, Korzhov disappeared.

[Nurshin] I do not quite understand; I was present when the Supreme Court ruling was announced on releasing Beysenov and Korzhov. The ruling was final and not subject to appeal.

[Tuyakbayev] The Supreme Court ruling cannot be appealed per se. Only within the [procuratorial] oversight procedure. We utilized this venue to appeal the ruling.

[Nurshin] Can you explain what is remuneration, and what is a bribe? What was it in Beysenov and Korzhov case—remuneration or bribe?

[Tuyakbayev] Well, no one has any doubts about what they were "rewarded" for! Neither the mass media, nor the court, nor we. The total amount involved is about half a million dollars. The point is different. Our Criminal Code stipulates that bribe-taking is punishable only if it is committed by [state] officials or acting officials. So the main argument is whether Turanbank is a state bank. Although it was considered a joint-stock company, the share of state property in this bank comprised 60 percent! Other stockholders also were mainly state enterprises and organizations. On the basis of this, we believe that Turanbank's top management are officials. Besides, they were appointed by a decision of the Cabinet of Ministers to that effect—not by the bank's board of directors. That is, in this case, they are state employees and have to be charged as officials taking bribes. We even said to the court: "All right! You do not agree with us. Acquit them then! Then we will not charge anybody under such circumstances. We have zillions of such cases. We need a precedent-setting ruling. To give investigators and procurators guidance. Nobody else can make a ruling on this for us! But the Supreme Court's judiciary collegium ducked making a ruling on substance.

[Nurshin] Could you please explain the situation...

Regarding Nurlan Smagulov's Company

[Tuyakbayev] On 8 November, the Almaty city procuracy initiated a criminal case against the firm, Smagulov & Co. But the city procuracy had been looking into this for quite a while, since August. As soon as the problem arose with the MMM joint-stock company, we instructed the city procuracy: "Look into this; we also have such companies!" And so on 5 August the city procuracy appointed an audit task force, but unfortunately, the auditors worked too slowly. Nevertheless, a criminal case has been initiated. Now measures are being taken to keep the "company" property intact. Assets will be frozen (during our conversation an order was issued to freeze all Smagulov company's assets—E.N.).

[Nurshin] On what charges was the case initiated against Smagulov?

[Tuyakbayev] Fraud—Article 136 of the Criminal Code.

[Nurshin] There are rumors that Smagulov is on the run.

[Tuyakbayev] His whereabouts are currently unknown. Both his and his family's... He has been declared a fugitive.

There are a lot of violations of law in the republic. In any sector, if you look for violations, you will always find them. We do not have the resources to do it all. Therefore, we have to define priorities in our work.

General Procuracy's Priorities

"First of all," defined Zh. Tuyakbayev, "it is safekeeping state property. Therefore, we identified the sore spots on which we must work. It includes the issues of denationalization and privatization. Foreign economic activities. Legality of acts of state administration... There are many violations. We do not set a goal to compromise the organs of administration or the government. But, if we see a certain trend behind concrete facts, we are not going to keep silent about it."

[Nurshin] Can you tell me though...

Why Did the Former National Bank Chairman Galym Baynazarov Resign? Why Did Former Deputy Prime Minister Asygat Zhabagin Resign?

"In the final count," the general procurator put all the dots over "i's," "I think that the resignation was not the result of the procuracy' uncovering some violations of law. These resignations are the result of the economic situation, the crisis, to which, I think, the former government and the former National Bank leadership could not find a proper resolution."

[Nurshin] People say that some top officials appoint their relatives in positions of responsibility. Does the procuracy investigate cases of family connections in the leadership?

"You know, in this case," Zh. Tuyakbayev began his explanation, "we need to look first and foremost at the 'root of evil.' The 'root of evil' is that we still have not defined what a leader's relative can and cannot do. The limit of the permissible! To say, well, that relatives of top officials or those in the power structures should not work in commercial structures, I cannot say this..."

[Nurshin] What about direct subordination?

[Tuyakbayev] No! They cannot be directly subordinated! This is against the law! But what can you say if someone is in the top echelon of authority and he has, of course, nephews, brothers, and sisters, and, of course, in many instances they are involved in entrepreneurial activities and in the distribution of more prestigious chunks of former all-people's property... I can only guess!

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Nurshin] Do I understand correctly that the procuracy does not handle criminal cases stemming from direct family relations in the leadership?

[Tuyakbayev] Well, such cases... They occur... And we do work on them. It is another matter to what extent we can prove them. It is very difficult to prove.

[Nurshin] Why is it difficult to prove?

[Tuyakbayev] Because these days people do not abuse their official position directly, without intermediaries. If patronage is present, it is done through third parties.

[Nurshin] I think there are two aspects to this problem. I am just pontificating, in an amateur way...

[Tuyakbayev] Why amateur? You may be correct.

[Nurshin] The first aspect: Is there a legislative base that "tracks" family relations that intersect with those of the state? And the second aspect: What damage—has this damage been determined—results from such relations?

[Tuyakbayev] There is nothing illegal in a relative working somewhere. As long as these family relations do not result in the abuse of official position!

What Is Abuse of Official Position?

"Abuse of official position is using the powers of one's office and causing damage to the interests of the state," explained the general procurator.

[Nurshin] Not too long ago there were reports that a tremendous number of boxcars carrying cathode copper were detained in Kazakhstan. So I have two questions. First: Have they later been released and sold abroad? And second: Who signed the general license for deliveries of this semifinished product?

[Tuyakbayev] Why are we not filing charges? Because of imperfections in the law. Because of the absence of a law on state border. That is why our goods flow to CIS countries in massive quantities and frequently without any gain. This is the best way of smuggling. Through CIS countries...

[Nurshin] A concrete example: Nevada-Semey. There was such a scandal, and as a result Nevada-Semey deliveries somewhere were halted. But in the end everything came to naught. Do you remember this?

[Tuyakbayev] I do! And I spoke about this at the Supreme Council (previous convocation—E.N.) session...

[Nurshin] You see—forgive me for interrupting you—let us say I go to a store, steal a package of processed cheese—I can go to jail for it. And what happened in this case?

[Tuyakbayev] The situation with Nevada-Semey is this. More than 10,000 tonnes of cathode copper: a small part of it in that consignment was Kazakhstan's copper, and the rest—Russian copper. Why were these tens of thousands of tonnes brought to Kazakhstan? So that the Nevada-Semey joint-stock company, which operated under the umbrella of the antinuclear movement, could utilize its preferential treatment in the customs, as it was entitled to by law. In Russia, for instance, the customs duty is 20-30 percent, and here it is, I think, about 5 percent. Of course, Russian entrepreneurs profited a lot by exporting copper abroad through Nevada-Semey!

[Nurshin] Where to?

[Tuyakbayev] I think, Italy...

[Nurshin] How could they accomplish it?

[Tuyakbayev] They brought the copper here and wanted to ship it from here as Kazakhstan's copper.

[Nurshin] Oh, this is interesting!

[Tuyakbayev] And we say: Clear-cut contraband! Contraband and reexport, which is against the law.

[Nurshin] Which law?

[Tuyakbayev] Not law—the treaty between Russia and Kazakhstan, between other CIS countries and Kazakhstan, banning reexport of products brought from one country into another. We do not have the right to bring here Russian products and then export them from here. To do this requires a permission to that effect of the Russian leadership.

[Nurshin] No, but—forgive me for interrupting you: How could this be; after all, there must have been an invoice on those thousands of tonnes of cathode copper, which showed that the shipment consisted of Russian copper?

[Tuyakbayev] This was all very complicated. The documents said that this copper's destination was Kazakhstan. First, the documents said that the cargo was copper scrap! Coming in for reprocessing.

[Nurshin] But this was cathode copper!!! Why was it not seized?!

[Tuyakbayev] We did seize it, all of it! Now the problem comes up—they are taking it back. For this purpose, they set up an appropriate structure, a "shell" in the form of RosKazmed, with plants, correspondingly, in Russia and Kazakhstan...

[Nurshin] But does this not require a decision of each respective government?

[Tuyakbayev] Yes! A statute on the RosKazmed company has been submitted to relevant structures. This company is being set up, but it exists only on paper. Nothing else! And they wanted to ship copper abroad under the cover of this company. And, in the final count, we cannot file charges because this copper is not stolen, and there is nothing criminal in the fact that it was

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

brought here. But the problem still remains: Copper is being smuggled out with falsified documents...

[Nurshin] Wait a minute, did you not seize this copper?

[Tuyakbayev] We did.

[Nurshin] And why was it then released?

[Tuyakbayev] Well, it was released... We wrote a letter on the subject to our Ministry of Foreign Economic Relations [MFER]... Which got them to pay all applicable taxes.

We brought charges for these machinations against the management of Nevada-Semey joint-stock company. As to the copper: First, Russia will demand an answer soon—the copper is sitting and not moving anywhere; the money has been paid. We cannot take the responsibility for holding this copper indefinitely, can we?! That is why we wrote a letter to the MFER asking to decide on the fate of this copper in keeping with our law, which is what they eventually did. Subsequently, we closed the case.

[Nurshin] Why?

[Tuyakbayev] We closed it, I repeat, because of imperfect laws.

[Nurshin] Let us go back to Urkumbayev. What

[11 Nov p 1]

[Nurshin] Let us go back to Urkumbayev. What was he accused of?

[Tuyakbayev] The charges involved more than one wrongdoing: abuse of official position, embezzlement, violation of rules on foreign currency operations...

[Nurshin] You know, it is hard for me to comprehend, or maybe God did not give me enough brains, but I think that Urkumbayev did less harm to the state than this Nevada-Semey machination involving many thousands of tonnes of copper.

[Tuyakbayev] Perhaps. I would not deny it. Perhaps they did more harm, but we were not able to bring charges against them because of imperfect laws.

"Which means that we have a weak link in the law," rephrased your humble servant, and sadly thought to myself: If you swipe a loaf of bread in a store because you are starving, there is a law to put you behind bars; but, if a wheeler-dealer with a hairy paw and a lot of money under the umbrella of a foundation entitled to preferential treatment engages in brazen contraband, there is no law for such a man. Life provides a lot of examples of the latter lately. And it is not the fault of the general procurator and his department that they mostly net "small fish." Our conversation with Zharmakhan Tuyakbayev was long. Lots of problems. Impossible to enumerate them all. But you probably already figured out, dear reader, that I am interested in this horrible phenomenon that, alas, has already set root in Kazakhstan on a massive scale—corruption.

What Is Corruption?

I asked this of the general procurator.

The answer was absolutely concrete:

"CORRUPTION IS VENALITY OF STATE EMPLOYEES AND BUREAUCRATS!"

It would be good to use this definition as a starting point in a new draft of the law on corruption, which has permeated like a metastasis Kazakhstan's economy and politics. But is it not already too late? Is not our brave and honest general procurator fighting "windmills," while bold robbers steal flour with impunity? Sorry, but a market in our country has long turned into a bazaar, where only the mafia profits. Some receive billions in bribes, imported gadgets and automobiles in the form of "gifts," shamelessly disposing of property we have all worked to build. And some, in utter despair, live from hand to mouth. It is so sad that the true owner of Kazakhstan's wealth is overall impoverished and destitute!"

I do not want to be a toady, but I do thank you, Zhake, for your desperate attempts to restore justice.

Anti-Nuclear Conference Held in Almaty

LD2211062094 Almaty Kazakhstan Television Network in Russian 1500 GMT 21 Nov 94

[FBIS Translated Text] The international conference Women of the East has completed its work for a nuclear-free world of ecological safety. It was organized by the international anti-nuclear movement Nevada-Semipalatinsk and its (Lodnord) committee. The leaders of anti-nuclear and ecological organizations from Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan took part in the work of the conference.

The aim of the forum is the activization of women's struggle for the closure of all the world's test grounds and, in particular, those still in use in China next to Kazakhstan's borders. This demand is a part of a memorandum adopted by the conference. Its participants called for a peace march to mark the tragic date of the 50th anniversary of the atomic explosions in Hiroshima and Nagasaki in order to remind people of the terrible threat to mankind from nuclear weapons.

Previous to the forum, lessons were given and contests were held for the best essay and poem on anti-nuclear topics in Almaty's schools. The organizers of the conference believe that an anti-military education for the young generation must be a subject of particular and constant concern for the state and all of society. The winners of the contest were given the Oljas Suleymenov prize.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The delegates of the anti-nuclear conference planted some trees, thus founding the Women of the World alley, near the republican palace of schoolchildren.

New Rules on Guarantees for Credit Issued

LD2111165094 Almaty KAZTAG in Russian 1400 GMT 21 Nov 94

[FBIS Translated Text] The Cabinet of Ministers of Kazakhstan today adopted a resolution on putting order into the registration of guarantees of the republic. This step has been taken in connection with the sharp worsening of the economic situation linked with big payouts from the budget to cover basic debts and all accompanying expenditures, and also with the need to seek out hard currency funds to cover the debts of enterprises incapable of payment to foreign creditors according to previously issued guarantees of the republic.

The resolution annuls 18 guarantees of the republic to the value of 359.5 million dollars, and also an agreement not underpinned by contracts for the supply by India of credit to the value of 10 million dollars. It was noted that earlier this year guarantees to the value of 2.04 billion dollars had been annulled.

The document establishes a mandatory lump sum payment for the issue and registration of guarantees of the republic amounting to two percent of the sum of credit for which the guarantee is being provided on conditions of prepayment. Payment for risk is introduced on the government guarantees being registered. Now on the issue of guarantees of the republic, borrowers must supply guarantee obligations of a size not less than the amount of the guarantees provided.

A six-month term is introduced for the start of work on attracting loans by guarantees issued, at the end of which non-operating guarantees are automatically annulled.

All government guarantees which have not been subject to reregistration by 1 January 1995 will be deemed invalid, and credits received under those guarantees will not be liable to cover on the account of budget funds.

The chief tax inspectorate of the Finance Ministry is (?instructed) to block the accounts of borrowers using guarantees who have not paid outstanding payments on foreign credits and all entries to their accounts are to be sent to a special account of the republican budget, an account for repayment of previously conducted payments from the budget.

Prospects for National Economic Development Viewed

954F0254A Moscow IZVESTIYA in Russian 3 Nov 94 p 4

[Article by Vladimir Ardayev: "Kazakhstan: Depressing Landscape With Fireworks"]

[FBIS Translated Text] Alma-Ata—It's easier for the historian, he can see the result. In hindsight, you can explain mistakes, disregard the deception, and identify trends and patterns. The contemporary lives in the present, and it's harder for him, for the future is alarming in its uncertainty.

Risk Zone

Kazakhstan marked the third anniversary of independence in the traditional fashion. A solemn ceremony was held in the Palace of the Republic, crowned by a large festive concert and conversation with outer space—that is, with cosmonauts in orbit. President Nazarbayev awarded orders and medals to the best Kazakhs, among them the republic's first national heroes. He also awarded the annual presidential prizes for peace and spiritual harmony. Many employees of budget-funded organizations received holiday bonuses in the amount of their monthly salary. And the chief of state himself did not go without gifts either: He was given the first Kazakh passport in history, marked No. 1, and a new luxurious residence constructed from the unfinished building that was to house the Lenin museum.

Nursultan Nazarbayev gave an interview that was carried over national television. The president spoke convincingly about how the collapse of the ruble zone had not entailed the collapse of the Kazakh economy. He also spoke of the high degree of confidence that foreign partners have in Kazakhstan; about foreign credits, which total $1.7 billion this year; about highly promising joint projects; about how Kazakhstan is successfully overcoming the economic one-sidedness of its previous development by putting new types of output into production; and about how, despite all the pessimistic predictions, hyperinflation and a crash of the national currency have been avoided, and about how the tenge has even attained relative stabilization.

Still, the interview was not a festive one. The agitated president assailed the opposition, arguing that the current government is the only guarantee, albeit a relative one, of stability and a continued policy of reform in the republic. In the process, he even used the unfestive and not-for-television word "bastards." He also used to airwaves to advise the competent agencies to "look into" publications that, the Kazakh leader had learned, are conducting sociological surveys commissioned from abroad. And he declared that only ill-wishers could claim that there isn't enough food or heat in Kazakhstan—only a blind person or enemy could fail to see the changes for the better.

On the eve of the holiday, on the initiative of the new government, bread prices were freed, as IZVESTIYA has reported. The government attributed the step to immoderate bread consumption and speculation. For all the obvious need for the move, it was nonetheless intended as a shock absorber for further developments. The fact is Kazakhstan has now used up the grain from what was left from last year's flour and had enough for exactly two

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

more weeks when the parliament adopted the decision. In view of this year's disappointing harvest, the cost of fuel, and other expenses, it is not hard to figure out that the price of the "new" bread will be even higher, and that subsidies would finally break the already deficit-ridden budget. And so it was decided to free bread prices in advance and to have the price increases occur at least in two stages.

But you can't hide the obvious: People quickly realized (not without the mass media's help) that an eight- to 12-fold increase (and not a four- to five-fold one, as the government had predicted) in the price of bread was not the limit. Panic buying broke out instantaneously, flour disappeared from the stores, and long lines formed outside the bakeries.

Needless to say, the virgin lands are virgin lands—an agricultural risk zone in which stable harvests are never guaranteed; the fact that the two previous years saw good harvests that produced enough grain not only for the republic's own needs but also for export was more likely a gift of fate than a trend. This is just one development, but an alarming one: The fact is that people today are more and more often starting to speak of Kazakhstan not only as an agricultural risk zone, but also as a risk zone in general—and above all an economic risk zone.

What Is the Future Based On?

People in Kazakhstan like to speak of the "difficult imperial legacy" that fell to the young state three years ago, and on this point one can sometimes see surprising unanimity on the part of both officials and members of the national patriotic opposition. They list distortions in economic development (an orientation toward raw materials), a steppe disfigured by the development of the virgin lands, the dried-up Aral Sea, the radioactive contamination of the region surrounding the Semipalatinsk test site, and even demographic mutations that have led to a situation in which the indigenous inhabitants account for less than half of the total population. They do not speak of a different legacy, as a rule. But they should.

Of all the states that arose from the ruins of the collapsed USSR, Kazakhstan is by no means the poorest. And during the 70 years of Soviet rule, much was invested in and created on the boundless and infertile steppe, where only herdsmen used to roam.

Today Baykonur has been legally returned to Russia under a long-term leasing arrangement. But it has been returned in such a state that Russia, given its current circumstances, will hardly be able to fix anything. In two years' time, not only was the equipment at the facility—a facility that is invaluable in every sense of the word—put out of commission by cold weather and a lack of maintenance, but much of it was pilfered as well. Local residents quickly thought up easy ways to make money. Eyewitnesses cited by the local press say that copper extraction has become a lucrative endeavor. It is done very simply: Costly and extremely scarce cable is cut at both ends and pulled out of the ground by a camel, after which the campfires outside the yurts blaze as the insulation is burned. The resulting pieces of high-purity copper wire are sold as nonferrous scrap. It is said that one launch at Baykonur had to be scrubbed because some kind of scarce equipment had been stolen right from the launch pad.

The situation is hardly better where another legacy is concerned, as a rule. The Mangistau (formerly Mangyshlak) Nuclear Power Plant has been reduced to such a state that residents of the city of Aktau (the former Shevchenko) themselves admit that they have gotten used to the constant expectation of a "second Chernobyl." The "Kazakh Magnitka" is on a list of the first candidates for bankruptcy that was published in local newspapers a few days ago. The Karmet enterprise's total debt to the budget, suppliers, and banks now exceeds 6 billion tenge (about $130 million).

The future is one thing, but the facts show just how Kazakhstan has managed what it did get from the Soviet Union—assets that could have served as a base or foundation, and a rather solid one at that, for the young state's further development.

Living on Borrowed Money Is Only for the Rich

In connection with the freeing of bread prices, this year's budget allocates more than 1.7 billion tenge (about $35 million) to support socially vulnerable population groups, at a time when the expenditures section of the budget already exceeds revenues by almost 30 percent and the government intends to finance the deficit with foreign loans and credit from the National Bank.

Speaking at his first press conference, new Prime Minister Akezhan Kazhegeldin said that he considers foreign aid, in particular aid from the European Union, to Kazakhstan to be clearly insufficient. He expressed dissatisfaction with the fact that the European Bank for Reconstruction and Development is holding up the release of promised credits (the reason for the holdup was cited the day before by Kazhegeldin's predecessor, Sergei Tereshchenko, who said that the "difficulties" with the EBRD credit arose after Economics Minister Mars Urkumbayev, the Kazakh vice-president of that bank, had been removed from his post on "criminal" grounds). In A. Kazhegeldin's opinion, the West should invest in private enterprise in Kazakhstan more actively.

That is a very problematical desire. According to former Economics Minister M. Urkumbayev, who was dismissed on "criminal grounds," he paid with his job for the fact that in May and June of this year, at his initiative, the government had recalled state guarantees totalling more than $2 billion—an astronomical figure that exceeds everything, both the budget's revenue section and even the amount of the gold and foreign exchange reserves. The state guarantees with which state-owned and commercial organizations were able to boldly

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

seek credits, loans, and investments abroad were granted with virtually no oversight (although not always free of charge, it's clear).

The undermining of confidence in state guarantees, plus the absence of other guarantees that Kazakh entrepreneurs could use to obtain foreign investments—could this be the reason for the lack of such investments?

Although Kazakhstan's gold and foreign exchange reserves as of October 1, according to an official report, amounted to $1.0042 billion, and the National Bank's obligations to foreign creditors stood at just $199.6 million on that date, the overall trend is such that the amount of foreign debts subject to immediate payoff will soon (in 1995-1997) approach the total gold and foreign exchange reserves—a critical point after which the state can hardly expect to obtain any loans, credits, or investments period.

None of this would be quite so alarming if the Kazakh economy offered hopes of recovery. However, Kazakhstan's economic reputation today leaves much to be desired: Statistics show that the "production downturn is assuming a persistent character" and affects all sectors without exception. Total industrial production has fallen by almost one-third since the start of the year. Consequently, investment risk remains extraordinarily great.

The mass privatization that has gotten under way and the transfer of Kazakh enterprises to foreign companies are reminiscent of a charity sale of used goods: Most of what is being privatized and sold is facilities in which any investment is useless—plants and factories with decrepit buildings, hopelessly obsolete Soviet equipment, and primitive technology.

In his television interview President Nazarbayev cited an example of what he views as successful cooperation with Philip Morris, which bought the Alma-Ata Tobacco Factory and an enterprise in Dzhambul at which it intends to produce confectionery items. Now the firm intends to build a new plant and to give the Alma-Ata factory back. But it is doing so not out of generosity, but because the plant is unusable! Philip Morris specialists who won the right to buy the Alma-Ata factory in a competition lost all faith in the possibility of modernizing and rebuilding the factory, which was once noted for its famous "Kazakhstan" cigarettes, and they decided that building a new plant would be easier.

Medal for Breakfast

During the three nonworking holidays in late October, Kazakh television showcased the republic president. Endless interviews alternated with video clips showing Nursultan Nazarbayev in the most varied surroundings—speaking with other presidents, speaking in an Orthodox cathedral, trying on the Kazakh Army uniform, meeting with the people. But if the people themselves were mentioned, they were mentioned by the president himself or in passing.

Meanwhile, the standard of living in Kazakhstan, to use the convoluted bureaucratic language, "exhibits a tendency inverse to improvement." Not too long ago, in October, the government's administrative affairs office released a report to the effect that the republic had for the first time recorded a reduction in the inflation rate from 113.3 percent in August to 109.7 percent in September of this year. The report pointed out that September prices for food and nonfood items, as well as for paid services to the public, had remained at the previous level and even fallen where a number of food products are concerned. The government believes that the drop in the inflation rate and the stabilization of the national currency were significantly influenced by the strict financial and credit policy that the government and the Kazakh National Bank are pursuing.

However, the increase in bread prices that followed completely cancelled out that achievement. The minimum wage and pension in the republic remain at $3.50, an amount that can now buy only 10 to 15 loaves of bread. It is true that prices for a "number of goods" have not gone up, but the price of the poor man's food—bread and milk—has soared. The cost of electricity has gone up—by almost 40 times this year. Gas and coal have become more expensive. In addition, electricity, gas, and coal are in short supply. During the days of the celebration of the third anniversary of state independence alone, the lights went out at the Alma-Ata bureau three to four times a day. Gas explosions have lately become more frequent in the cities—a recent one in Leninsk at night destroyed a five-story apartment building. The explosions are usually caused by residents who try to either hook a gas range up to a gas cylinder instead of the gas line or to fill up a cylinder from the gas line for future use. The result is often tragic.

There are more and more reports of what are for the time being weak manifestations of discontent, as people take to the streets to demand social guarantees or wages that they cannot get for months at a time. The demonstrators' leaders are often communists and activists of the Workers Movement.

Unemployment in the republic, especially hidden unemployment, is on the rise. Almost 50,000 workers and office employees at 100 enterprises that have completely shut down production are currently on forced leave. Nearly 600 enterprises are partially idle, and 150 are operating on a part-time basis.

There are today two Kazakhstans, as it were—the one that can be seen from the windows of the presidential residence and that is talked about from the podiums and TV screens, and the one in which real and increasingly vulnerable people live. It is alarming that the gap between them is growing increasingly wider.

Law on Changes, Additions to Law on 1994 Budget

Text of Law

954K0296A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 19 Oct 94 p 1

[Law: "Republic of Kazakhstan Law Concerning the Introduction of Changes and Additions to Republic of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kazakhstan Law 'Refined 1994 Republic Budget' As a Result of the Release of Prices of Bread, Rolls, Millet, Semolina, Flour Being Sold in Lieu of Baked Bread, and Combined Fodders"]

[FBIS Translated Text] The Supreme Soviet of the Republic of Kazakhstan decrees:

To make the following changes and additions to Republic of Kazakhstan Law, dated 14 July 1994, "Refined 1994 Republic Budget":

1. Add to the second paragraph of Article 4, after the words "in accordance with norms, respectively," the words "effective 1 January 1994, 90 and 10 percent, and effective 1 August 1994," and continue with the text.

To add to Article 20, as the first paragraph, the following paragraph:

"Article 20. To release the prices of bread, rolls, millet, semolina, flour being sold in lieu of baked bread, and combined fodders, effective 15 October 1994."

The first paragraph is to be renumbered as the second paragraph.

In paragraph 2 of Article 20, the word "gradual" is to be removed.

In Article 29, the following paragraphs are to be added after paragraph 8:

"effective 1 October 1994, stipulated, as a result of the release of prices of bread, rolls, millet, semolina, flour being sold in lieu of baked bread, and combined fodders, the payment to low-income and nonworking pension recipients of monthly monetary compensation in percentages of the legislatively established minimum wage each month, at the following rates:

"115 percent—to persons receiving complete work pensions based on age, disability, or long service, as well as disability pensions being paid to persons in compulsory military service pensions;

"95 percent—to persons receiving work pensions with incomplete work longevity, as well as pensions based on the loss of a breadwinner;

"75 percent—to persons receiving a social pension."

The following paragraphs are to be added to Article 32 after paragraph 13:

"effective 1 October 1994, as a result of the release of prices of bread, rolls, millet, semolina, flour being sold in lieu of baked bread, and combined fodders, to stipulate monthly grants in aid to families with children, in the following percentages of the minimum monthly wage:

"uniform grants in aid for children up to 6 years of age—130 percent; from 6 to 18 years, 135 percent;

"state grants in aid to single mothers for children up to 6 years of age—105 percent; from 6 to 18 years—115 percent;

"grants in aid for children of persons in compulsory military service—135 percent;

"grants in aid for children who have been infected with HIV or who are AIDS patients—135 percent."

In paragraph 3 of Article 35, the figure "8987019" is to be replaced by the figure "7214214."

The Law is to be supplemented by Article 52 with the following content:

"Article 52. As a result of the cancellation of price regulation for bread, rolls, millet, semolina, flour being sold in lieu of baked bread, and combined fodders, the expenses for nutrition in institutions being financed from the budget for payment of grants in aid to families with children, and for monetary compensations to low-income pension recipients are to be increased by 1772805 thousand *tenge*.

"The indicated expenses are payable from the republic budget."

2. In Section 1 of the expenditure part of the appendix to the indicated Law:

in line "Expenses for defense, total," the figure "8987019" is to be replaced by the figure "7214214," and the line "Strategic forces of the CIS 1772805" is to be removed;

after the line "Expenses for conducting elections—71595," add the following paragraph:

"Expenses for nutrition in institutions being financed from the budget, and also for paying grants in aid to families with children and of monetary compensation to low-income pension recipients, which are linked with the cancellation of price regulation for bread, rolls, semolina, millet, flour being sold in lieu of baked bread, and combined fodders—1772805."

[Signed] N. Nazarbayev
Almaty, Parliament House
13 October 1994

Commentary on Law

954K0296B Almaty KAZAKHSTANSKAYA PRAVDA in Russian 19 Oct 94 p 1

[KazTAG [Kazakhstan News Agency] Commentary]

[FBIS Translated Text] The Supreme Soviet has enacted a decree concerning the implementation of the Law "The Introduction of Changes and Additions to Republic of Kazakhstan Law 'Refined 1994 Republic Budget' As a Result of the Release Prices of Bread, Rolls, Millet, Semolina, Flour Being Sold in Lieu of Baked Bread, and Combined Fodders."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pending the releasing of prices, it has been proposed to the Cabinet of Ministers to guarantee the elimination of the state's indebtedness to budget-financed institutions and organizations with regard to the payment of pensions, grants in aid, wages, and stipends. The government has also been instructed, for the corresponding sections of the budgetary classification, to define the appropriations stipulated by Article 52 of Law "Refined 1994 Republic Budget," and, in conformity with paragraph 2 of the Supreme Soviet's 14 July 1994 decree, entitled "Implementation of Republic of Kazakhstan Law 'Refined 1994 Republic Budget,'" to take them into consideration when refining the republic budget on the basis of the results of its execution during the first nine months of the current year.

In response to a request from KazTAG, the following commentary on the law has been provided by the republic government.

The principles of free pricing are among the fundamental principles of the market economy, and they require the elimination of the subsidizing of production, including subsidized prices. The danger of price subsidizing consists in that the price forms in the public awareness false orientation markers concerning the decrease in the price of one of the most labor-intensive products of everyday demand—bread—and also provokes a sense of dependency among the population. On the one hand, this devalues the efforts of the bread producers, and, on the other hand, creates conditions for the careless or ineffective use of the vitally important product, down to and including the feeding of it to livestock.

In any economic situation an artificially inexpensive commodity is used in excess of reasonable consumption norms. This is confirmed by an increase in the demand for bread and rolls for our republic as a whole by more than 35-40 percent during the current year, as compared with last year. This tendency manifested itself especially clearly in oblasts of the republic that are adjacent to the Russian Federation, in which the bread prices were released as long ago as 1993. That factor became the basic reason for the shipping of inexpensive Kazakhstan bread outside the confines of the republic, which led to a chronic shortage of it in our own trade system.

In turn, the situation that developed caused well-founded reproaches directed at the inhabitants of the border rayons, and a constant flow of appeals sent to the government of the oblast and rayon administrations, workers in Kazpotrebsoyuz [Kazakhstan Union of Consumer Cooperatives], as well as the basic bread producers, requesting a change in the abnormal situation.

However, administrative methods of resolving this question cannot be effective under the present conditions.

Because of the limited nature of state grain resources, the bread-producing enterprises were forced to purchase additional volumes of grain at free market prices. As a result, problems have arisen with the sale of bread at the existing regulated prices. The financial condition of bread producers has also been aggravated by the fact that, as a result of the worsening of the nonpayments crisis and the concomitant worsening of budgetary financing for all items in the budget, the compensation of the difference in the prices of bread and bread products was carried out with a delay of from one to three months.

It is specifically for that reason that the Supreme Soviet decided to release the prices of bread, effective 15 October of this year, with the simultaneous taking of steps to provide social support for low-income segments of the population.

According to tentative computations, the prices for bread output after they were freed rose, on the average for the republic, by a factor of 4.5-5, and subsequently will be formed by the producers, proceeding from the actual expenditures to produce it.

As an anticipatory measure, the decision was made to increase, effective 1 October of this year, the size of the social grants in aid paid to low-income nonworking pension recipients and to families with children by 30 percent.

With a consideration of the increase in the size of the minimum wage, effective 2 October, from 150 to 200 *tenge*, the size of the grants in aid to be paid to low-income citizens of the republic as a result of the release of prices of bread and bread products, will increase, as a minimum, by 110 *tenge* a month.

The budget's additional expenses as a result of the release of prices of bread in the current year will be more than 1.7 billion *tenge*, including more than 1.1 billion *tenge* for nutrition in social-sphere enterprises, and more than 600 million *tenge* for grants in aid and monetary compensations. These expenses will be payable from the republic budget.

Definition has been made of the average sizes of the grants in aid to families having children and the compensatory payments to low-income pension recipients in the fourth quarter of 1994 as a result of the release of prices of bread output.

The increase in the uniform monthly grants in aid to families with children, per child up to the age of 6 years, will be 110 *tenge*, and from 6 to 18 years, 112.5 *tenge*. For each child of single mothers, that increase will be, respectively, 97.5 and 102.5 *tenge*.

Grants in aid to children of persons in compulsory military service, and to children who have been infected with HIV or who are AIDS patients, will rise to 112.5 *tenge*.

The monthly monetary compensation paid to low-income nonworking pension recipients, to persons receiving complete work pensions based on age, disability, or long service, as well as disability pensions paid to persons in compulsory military service, has been

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

defined at 102.5 *tenge*; to persons receiving work pensions with incomplete work longevity, or pensions based on the loss of a breadwinner, 92.5 *tenge*; and those receiving social pensions, 82.5 *tenge*.

The government also reported that, as a result of the increase, effective 1 October, of the minimum wage and pensions from 150 to 200 *tenge*, for persons receiving stipends, grants in aid, pensions, and fixed salaries in state institutions the additional income will be more than 30 percent of the size of the previously received stipends, grants in aid, and salaries.

In particular, for workers in the budgetary sphere the wages will increase by an average of 327 *tenge*. The monthly increase paid to teachers and geologists for long service will be 225 *tenge*.

Pensions will increase for pension recipients on the basis of age by 242 *tenge*; for disabled veterans of the Great Patriotic War, by 606; for participants in that war with disabilities from general diseases, 547; for other participants in the war, 474; and for disabled individuals from among persons in compulsory military service, by 464 *tenge*. The pension paid to miners will increase by 386 *tenge*. There will also be an increase in the size of social pensions and grants in aid based on disability or on the loss of a breadwinner.

Stipends paid to postgraduate students will increase by an average of 287.5 *tenge*; to students at institutions of higher learning, 480; and to students at secondary special educational institutions, 375 *tenge*.

Kyrgyzstan

Akayev Says Bureaucrats Blocking Reforms

LD2111203694 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] Reforms in Kyrgyzstan cannot go through because of the resistance mounted by bureaucrats, President Askar Akayev told Interfax. He believed that strong local governments had to be set up as a counterweight to the state administration and that they will provide grass root support for the reform.

Akayev admitted that he had given to much latitude to bureaucrats, especially heads of local government. He believed, however, that this was essential to avoid the chaos and disturbances such as those in neighboring CIS member states during the transition period. Akayev emphasized that the power of the local administration chiefs would be curbed shortly.

He said that they will learn to behave because local self-government will restrain them.

Akayev promised that none of the executive officials would serve on the professional parliament to be elected on February 5.

Akayev on Tasks Faced by Local Self-Government Bodies

LD2111203194 Moscow INTERFAX in English 1622 GMT 21 Nov 94

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Addressing the first conference of heads of local councils, Kyrgyz President Askar Akayev said about the need to create a standing structure which would coordinate actions of local self-government representatives at the republic's level. He believes that the structure will help the state bodies to cooperate with the local government representation as with "an institute of civil society".

The president said that the local self-government will have great possibilities to influence the republic's political life and noted the importance of the fact that the councils may control the activities of local bodies of the state administration. In addition, according to the republic's new Constitution, the councils received the right to influence the formation of a local budget.

Akayev believes that the main task for the local self-government should be the social protection of the population: the problem of housing construction, medical services and free secondary education, as well as the maintenance of public order.

The president paid special attention to making land private property. He believes that unless the problem is solved, the economic reforms in the republic will fail. Saying that the problem of private property is as important as the problem of power, the president said that there is no alternative: either to introduce private property for land, or to return to totalitarianism.

Akayev believes that the legislative regulation of the land's purchase-sale will help prevent its uncontrollable sale to outsiders. He said that effective state management of private sector must establish a civilized regimen of land using which meets international standards.

Akayev Addresses Bishkek Conference on Agriculture

LD2111225994 Moscow INTERFAX in English 1622 GMT 21 Nov 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Conditions have not been created in Kyrgyzstan yet for the efficient development of agriculture, believes Askar Akayev. Addressing in Bishkek a conference on agriculture, he said that the encouragement of foreign investments in the agro-industrial complex may help solve the problem.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Prime Minister Abbas Dzhumagulov said that further development of the agro-industrial sector will determine the state of affairs in the entire Kyrgyz economy, since agricultural reform is of priority importance. "IF" NOTE: Now two-thirds of the Kyrgyz population live in the countryside. In 1993 as many as 180 collective and state farms were privatized in the republic. Operating in Kyrgyzstan are 21,700 farms, including 17,000 private farms. By the end of 1994 it is planned to dissolve the remaining collective and state farms.

Full independence of agricultural producers, the liberalization of export-import conditions, the lifting of licensing restrictions and the cancelling 90 percent of the state order are the main guidelines of the agricultural reforms. Later it is planned to put monopolist-enterprises, processing agricultural produce as well as enterprises engaged in the material and technical supply of the agricultural sector, out of the state control. The reform in the banking system which finances the agrarian sector and full restructuring of administration in agriculture, including the change in the role played by the Agriculture Ministry must be an important step.

The prime minister described as the government's strategic task, the comprehensive development of infrastructure, for example, the development of water and electricity supply systems, the construction of roads, as well as the creation of a network of small enterprises which will make it possible to create new work places in the countryside.

State Administration Head Appointed

LD2211100494 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1600 GMT 21 Nov 94

["Edict of the President of the Kyrgyz Republic"]

[FBIS Translated Text] Abdukhalikov Orozmat is entrusted with the duty of head of the state administration and minister of the Kyrgyz Republic.

The proposal on appointing Abdukhalikov Orozmat as head of the state administration and to the work of a minister of the Kyrgyz Republic, submitted for the approval of the Supreme Council of the Kyrgyz Republic, is accepted.

The edict was signed by President Askar Akayev of the Kyrgyz Republic on 19 November 1994, at Government House, Bishkek.

Uzbekistan

Russians Accuse Uzbeks of Discrimination

MM2111105794

[FBIS Editorial Report] Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 November 1994 carries on page 3 under the general heading "Why Russians Are Fleeing Uzbekistan" a feature on the plight of ethnic Russians resident in Uzbekistan. The feature opens with a 450-word letter sent to the Russian Embassy in Uzbekistan by Lyudmila Zaretskaya, an ethnic Russian resident of the city of Namongon, who was brought to live there as a child by her parents. The writer describes how Russians are being intimidated by Uzbeks and are discriminated against in education and employment, and she asks to be granted the status of a displaced person so that this will facilitate her resettlement to the Russian Federation.

The letter is followed by a 1,100-word extract from a report by an unnamed "high-ranking staffer of the Russian Federation Presidential Staff" under the heading "The Attitude to the Russian Embassy Is As to the Embassy of a Third-Rate Country." The report on a visit to Uzbekistan states that emigration of ethnic Russians from the republic shows no sign of diminishing and peaked at 16,000 people in the month of August. Among the reasons for emigration it names discrimination against Russians in the judicial system, state control of the mass media, and lack of attention on the part of the Russian Ministry of Foreign Affairs. The report calls for "the temporary restriction on a simplified procedure for granting Russian citizenship to be lifted" and for "the 125 billion-ruble commodity credit granted to Uzbekistan by Russia to be suspended until guarantees of human rights observance are obtained."

Next comes a 300-word report by the RIA-NOVOSTI Analytical Service entitled "Tashkent Would Like To Give a New Boost to Cooperation with Russia." It points out that the Uzbek leadership will find it hard to do this because Russian public opinion with regard to Uzbekistan is largely shaped by Uzbek opposition figures based in Moscow, who use "liberal democratic publications to discredit the republic." The report concludes: "At the same time the Uzbek leadership is getting the impression that Russia's foreign policy departmentad not gotten fully to grips with the situation in the region, and the Central Asian area is on the back burner of the Russian Foreign Ministry's political priorities. This approach is directly associated with Russian Foreign Minister A. Kozyrev, who is not perceived here as a partner who is at all serious or reliable."

The feature concludes with the following commentary by Aleksandr Ivanov:

"Of course, domestic nationalism occurs to some degree in practically all the former republics, including Russia.

"It is, of course, possible to recall Moscow's rather clumsy gestures which, to put it mildly, have not helped to improve the way Russian communities in the near abroad feel. There was the republics' 'eviction' from the ruble zone. The hunting down of 'persons of Asian and Caucasian nationality.' Statements like Solzhenitsyn's on the need for Russia to get out of Central Asia and resettle all Russians from there.

"Nevertheless, even lumped together, all these factors cannot give rise to such a strong wave of migration. This requires far more deep-seated causes.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"After the breakup of the USSR a neopolitical vacuum arose in Central Asia. A vast territory with huge reserves of strategic raw materials (oil, gas, gold, uranium, etc.) found itself at the intersection of the interests of three world forces—Russia, China, and the far from homogeneous Islamic world. Add to this the quite complex processes—political, social, and demographic—which began in this region even under Soviet power, in the seventies and eighties.

"It was then that urbanization began to gather momentum in Central Asia. By that time it had so come about historically that the countryside was mostly composed of indigenous nationals, while the cities, particularly industrial centers, were Russian-speaking. The exodus by the region's rural population, encouraged by a demographic explosion and by the total domination of a monoculture, resulted in the first interethnic friction. The marginal belts which arose principally in those years around Central Asian cities, where yesterday's country folk were settling, subsequently became, during the period of early perestroyka, rings of instability posing a constant threat of social and interethnic explosions. Through force of circumstances peoples who had previously coexisted peacefully in various economic niches began to be 'jostled' into a single niche. But you cannot fit two sheep's heads into one pot, a Central Asian proverb proclaims.

"The independence gained by the Central Asian republics at the end of 1991 helped not to ease but, rather, to exacerbate these processes. The economic slump, weak national currencies, and the rupture of economic ties against the background of the continuing demographic explosion unequivocally make the situation in the region increasingly dangerously explosive.

"The gravest situation has taken shape in Uzbekistan, which has been pushed by the logic of geopolitics into the role of regional leader. Whereas the other Central Asian republics can close their borders in the event of a hotbed of tension arising on the borders and cut themselves off from restless neighbors, Uzbekistan does not have this possibility. On the one hand, the large communities of Uzbeks in all the states of the region, including Afghanistan, and, on the other, its geographic location at the heart of Central Asia do not leave Uzbekistan even with the possibility of pursuing an isolationist policy. The role of a leader, even a regional leader, requires huge funds and effort—which naturally affects the economy and the position of the population.

"At the same time a totalitarian regime has essentially been recreated in Uzbekistan within a republic framework. Under conditions when the opposition has been completely routed, all people become a potential opposition. It is possible to cling to power only by placing your own people in all key posts. In such a situation an ever greater number of posts become 'key' posts, right down to that of a plant or sovkhoz director. Because a totalitarian regime needs total control over absolutely everybody. Your 'own' people themselves in turn put their 'own' people in place. You have to pay off everyone. At somebody else's expense, naturally. It is, as a rule, the republic's nonindigenous inhabitants who become this 'somebody else.'"

Candidates for Supreme Assembly Elections Approved

LD2111212494 Tashkent Uzbekistan Television in Uzbek 1400 GMT 21 Nov 94

[FBIS Translated Text] The Central Election Commission has considered the documents submitted by political parties on the elections to the Supreme Assembly of Uzbekistan, and the representative bodies authority on registering candidates for the post of deputy in the Supreme Assembly, as well as their applications for permission to stand in corresponding constituencies. It has adopted a resolution that says that in accordance with Articles 11 and 24 of the Law on Elections to the Supreme Assembly of the Republic of Uzbekistan, candidates for the post of deputy of the Supreme Assembly of the Republic of Uzbekistan nominated by the following structures are to be registered as candidates:

—The supreme bodies of the People's Democratic Parties of Uzbekistan and of the Homeland Progress Party;

—The Supreme Council of the Republic of Karakalpakistan;

—The regional and Tashkent city councils of people's deputies.

The lists have been published in the newspapers NARODNOYE SLOVO and KHALQ SOZI.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Azerbaijan

Mishap Halts Gas Flow in Pipeline From Turkmenistan

NC1811181794 Baku TURAN in English 1301 GMT 18 Nov 94

[FBIS Transcribed Text] Baku, November 18 (TURAN)—The transportation of natural gas from Turkmenistan to Azerbaijan is stopped due to crash on the gas pipeline on the territory of Uzbekistan, the Vice-President of the "Azerigas" State Company, Bahram Amrahov, told TURAN agency.

Bahram Amrahov says that presently repair works are carrying out on those part of the gas pipeline, where the crash had taken place.

The northern regions of Azerbaijan, which are supplied only with Turkmenistani gas suffered a great deal due to the crash.

At present the President of "Azerigas" State Company, Tariel Huseynov, takes part in Moscow's meeting of the representatives of the CIS-member states, where the issues concerning production, transportation and consumption of gas are discussed.

Aliyev Asks for Assurances of IMF Assistance

LD2211105694 Baku Radio Baku Network in Azeri 0300 GMT 22 Nov 94

[FBIS Translated Text] Yesterday, Geydar Aliyev, president of the republic received Peter Keller, head of the Fast European Second Department of the IMF at his request.

During the reception Geydar Aliyev reminded Mr. Keller that he had met with him some time ago and pointed out that the IMF has not kept its promise in connection with assistance to Azerbaijan and with much regret he pointd out that if our republic were granted financial assistance, it might not fall into such a [word indistinct] situation.

Trying to give explanations regarding the truth of what the president said, Mr. Keller stated that at a time when inflation increased to 20 percent in our republic, the IMF could not allocate financial assistance. Welcoming the recent developments in our republic and documents of significant importance signed recently which would boost the development of our independence , he added that in January next year a [word indistinct] of the IMF will be held and a monetary fund will be allocated to Azerbaijan at this meeting. Financial aid could begin in March.

Geydar Aliyev, president of the republic, voiced his anxiety over the delay [word indistinct] and related it to our republic being tested again; at the end of the meeting he once again reminded Mr. Keller that he hoped [words indistinct] that the IMF would give financial assistance to Azerbaijan.

Acting Prime Minister Fuat Guliyev, Finance Minister Fikret Yusupov, and other officials took part in the meeting.

Need Seen for Revised Russian Relations

NC2111213594 Baku TURAN in English 1048 GMT 21 Nov 94

[FBIS Transcribed Text] Baku (November 21) TURAN—"Up to now Russia's policy in Azerbaijan was conducted through Armenia, or through Russia's military assistance to Armenia. After signing of the oil contract, the positions of the West in Azerbaijan grew stronger and the West began to play the role of serious factor hindering continuation of the Armenian aggression. Moscow lost the very lever, which for a long time successively exerted influence on Baku", a highranking official from Presidential staff of Azerbaijan told Turan.

It becomes clear that the country, which will receive influence in Azerbaijan and will strengthen its political and economic positions here, will be able to take the control over Transcaucasia, the same source said. Moscow faces the dilemma: whether to lose Azerbaijan completely or to change its policy in Azerbaijan and try to preserve its influence here.

"Boris Yeltsin invited President Aliyev to visit Moscow on November 17 in order to change its position and this invitation can be seen as Russia's face-to-face turn to Azerbaijan. The time comes when Moscow will be taking into consideration Baku's long-term interests. President Aliyev's staff thinks that for the first after September 1991 Boris Yeltsin himself declared that he is interested in settlement of the Armenian-Azerbaijani conflict", a highranking official said. Speaking about Nagorno-Karabakh, Boris Yeltsin said that he realizes Baku's demand concerning liberation of Shusha and Lachin and this is an important psychological factor, the same source considers.

The fact that over the past two months the CSCE considerably intensified its peace-keeping mission and approximately 20 countries have expressed their readiness to provide logistical support for this operation also played a significant role. "Russia, of course, wishes to preserve its positions and it will insist on its exclusive role in Transcaucasia, but it will be not easy for her to prove it now", a highranking official said.

The readiness of Russian President to provide political as well as economic support (privilege sale of 300,000 tons of grain and decree on opening of railway) for Azerbaijan, means that Russia does not wish to lose its influence in Azerbaijan completely. "The fact that during the meeting with President Aliyev Boris Yeltsin approved conclusion of the oil contract for development

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of Caspian offshore is of special importance", a high-ranking source from Presidential staff added.

Georgia

Shevardnadze Interviewed on Current Issues

LD2111122494 Tbilisi Radio Tbilisi Network in Georgian 0611 GMT 21 Nov 94

[Interview with Head of State Eduard Shevardnadze by Nato Oniani in Tbilisi—live]

[FBIS Translated Excerpt] [Oniani] Good morning, we present to you a radio interview with the chairman of the Georgian parliament and head of state, Eduard Shevardnadze. [passage omitted]

[Shevardnadze] Good morning. As far as the economic sphere is concerned, the most worrying fact is that the shortages have again stalled the operation of industries. Output has again declined, which will affect the current year, the budget, and the condition of every family. It will also have a negative effect on the drafting of the next year's budget. However, I would like to tell you that some industrialists and some enterprises have prepared well for the winter. They have their own reserves of fuel and can generate electricity locally, which has enabled them to continue relatively normal operation. [passage omitted]

It is essential that installations belonging to the bread products system are put under very strict control. The Sakenergo [Georgian energy authority] and Telasi [Tbilisi energy authority] departments should implement effective measures to ensure a steady supply of electricity to bakeries and bread plants. In order to do this they have to keep every installation under special control.

The Cabinet of Ministers and the Tbilisi Mayor's office have taken a decision to increase the protection of Sakenergo substations. There are several dozen such substations. We are forced to involve interior troops, in addition to the police, in protecting them. If the substations are protected and the rationing of electricity is implemented, we will then be able to improve bread-baking as well as the condition of people who have not received electricity for days or weeks. A lot will now depend on order. [passage omitted]

Now, a few words about the coupon. In trading on the Tbilisi Interbank Currency Exchange on 18 November, demand for the U.S. dollar was 153,000 dollars, which is more than twice higher than it was on the previous day of trading. This happened because a number of ministries and agencies converted their budget resources into dollars. The National Bank deemed it appropriate to intervene and support the coupon against the U.S. dollar, so that the dollar closed at 1,709,000 coupons. On the previous day of trading it closed at 1,785,000 coupons. So, the positive trend still continues. As for trading in Russian rubles, commercial banks were more actively involved in it. Between various banks, 118 billion rubles changed hands. The ruble closed at 540 coupons, which is 30 coupons less than it cost on the previous day of trading. Again, there is a positive trend in this area.

I am not going to go on discussing this further. I am stressing these issues because every state structure, including the Cabinet of Ministers, should be trying to give constant attention to processes relating to the coupon and its strengthening. If there is a problem, the current positive trend may reverse into a negative one. [passage omitted]

Most of our problems are objective. You know, I have said this before, the delays in the delivery of gas pipes could especially be felt in the last few days, and they were connected with an accident that took place on the territory of countries from where we import gas. They now seem to promise us that tomorrow or the day after tomorrow the pipeline will be restored. However, this requires some time.

Apart from this, there are other problems in relations between countries through which the pipeline goes. I mean relations between Uzbekistan, Russia, and Turkmenistan and agreement on tariffs. Our representatives, including [Deputy Prime Minister Zurab] Kervalishvili with a large group of officials, are now in Moscow for talks.

If somebody is interested in the objective factors contributing to Georgia's problems, I would say that we have not received credit we have been promised. You know that as early as last spring or summer the Russian leadership promised us 20 billion rubles to be used to buy 300 to 400 thousand tonnes of fuel oil. If we had received this credit, the situation would of course have been very different. Due to objective reasons, due to the fact that the transfer of funds between Russian banks took place more slowly than they had expected, we did not receive this credit. It is only now that the implementation of this agreement has started. [passage omitted]

[Oniani] Turkish President Suleyman Demirel came to Georgia last week for an official visit. It was a very important visit. Some things have already been reported in the press and on television and a lot more must have been said behind closed doors. What is your assessment of this visit as far as Georgia, Georgian-Turkish relations and the region in general are concerned?

[Shevardnadze] When the president was still in Georgia I already spoke about the visit, its importance and so on. I would like to reiterate that I regard this visit as a very important event, at least for the region and for Georgia. The great future of relations between the two countries became more distinct during the visit. Mr. Demirel's statements clearly demonstrate our role in the region—not only how we see it, but, more importantly, how the leader of a great neighboring country sees our role in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

region and beyond. This was also discussed. Prospects for our country's development are now also clearly visible.

I attach special significance to the president's views of Georgia being a key to a large region—you emphasized this in your address yesterday and I have paid attention to it [as heard]—a strategically important country, a transit country and so on. I also consider very important his opinion that Georgia and its leadership can play a positive role in the building of even closer relations between two great neighbors—Russia and Turkey. I told Mr. Demirel during his visit here that Georgia has a vested interest in the existence of an atmosphere of mutual trust and mutually beneficial cooperation between Russia and Turkey. That is how, I am sure, events will develop. Otherwise, Georgia may, of course, suffer. That is why we are interested in this. Mr. Demirel noted Georgia's certain role in this.

[Oniani] The president also discussed Georgia's potential as a transit country. You discussed this at a meeting at the Customs Department last Saturday. [reception lost]

Deputy Premier: Gas Supply Cut Caused by Accident

LD2111164594 Tbilisi IBERIA in Georgian 1445 GMT 21 Nov 94

[FBIS Translated Text] Tbilisi, 21 Nov—Georgian Deputy Prime Minister Zurab Kervalishvili said that according to last week's information, the gas supply for Georgia from Turkmenistan was cut due to an accident. "Although it cannot be ruled out that the gas supply cut might have been caused by the existing political situation between the Central Asian republics, Russia's certain interests cannot be ruled out either," Zurab Kervalishvili added.

Georgian, Abkhaz Officials Cited on Geneva Talks

LD2111194394 Moscow INTERFAX in English 1631 GMT 21 Nov 94

[FBIS Transcribed Text] Both sides to the Georgian-Abkhaz talks in Geneva ended last weekend approved in principle and took as a basis for future actions a trilateral document proposed by Russia, the U.N. and CSCE on the settlement of the Georgian-Abkhaz conflict. The document provides for creating a federative state on the territory of the former Georgian Soviet Socialist Republic, a personal representative of the Abkhaz parliamentary speaker, Andrey Dzhergeniya, told Interfax Monday [21 November].

Dzhergeniya said this position was laid down in a communique passed by the two sides on the results of the talks.

"Abkhazia has never refused a union with Georgia. The only question was the form. We believe that there has emerged a minimum of two subjects, Georgia and Abkhazia, on the territory of the former Georgian Soviet Socialist Republic which have broken state and legal relations," he said.

Dzhergeniya pointed out that creating a federative state implied that the two republics should delegate a number of powers, such as foreign policy, foreign economic relations, safeguarding borders, transport, communications, energy production, environmental protection and human rights, into mutual competence.

Dzhergeniya said the approval of the document by both Georgia and Abkhazia was the main result of the talks. "If there is progress in political settlement, other problems will be solved as if by itself," he added.

Dzhergeniya said that representatives of Russia, the U.N. and CSCE to the talks passed a statement calling on both Georgia and Abkhazia to speed up the repatriation of Georgia refugees to Abkhazia.

The head of the Georgian delegation, Dzhaba Ioseliani, said he was not satisfied with the results of the talks.

Documents proposed for discussion "contained more declarations and appeals, as if on the previous stage, now there is more need for specific issues," he told Interfax Monday. He added that "the public opinion should not be deceived and the people should not be misled by saying that something is being done."

Ioseliani pointed out that Georgia had expected "nothing but that from this round of talks as the disrespectful winner (Abkhazia - IF note) recognizes nothing but force." "So, we will have to convert this discussion into another dimension," he said. However, Tbilisi has not yet decided what this dimension will be like, he said.

Ioseliani said that another reason for delays in the settlement process was that "Russia has not yet found a formula to solve all these issues."

Relations Between Abkhaz, Regional Leader Worsen

LD2211103194 Tbilisi Radio Tbilisi Network in Georgian 0400 GMT 22 Nov 94

[FBIS Translated Text] It has emerged that a certain Kravchenskiy is serving a sentence in a Gudauta remand center for the killing of a 15-year-old youth. Kravchenskiy was the chief bodyguard of Mussa Shanibov, leader of the Confederation of Caucasian Peoples. After a court in Gudauta sentenced Kravchenskiy to 15 years' imprisonment, tense relations between [Abkhaz leader] Ardzinba and Shanibov have deteriorated even further. The main area of their disagreement is whether to choose a pro-Turkish or pro-Russian orientation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

'Militant' Organization Wants Russians Out of Abkhazia

LD2111183094 Moscow INTERFAX in English 1425 GMT 21 Nov 94

[FBIS Transcribed Text] A recently formed militant Georgian political organization said it had no confidence in a Russian peacekeeping force deployed in Abkhazia.

In a statement published on Monday [21 November], the National Liberation Front, set up late last month, demands that the Russian peacekeepers, whose "only function is border protection," leave the conflict zone to be replaced by troops from any other country.

The Front, led by former prime minister Tengiz Sigua and former defense minister Tengiz Kitovani, "reserves for itself the right to use armed force to restore the territorial integrity of Georgia," the statement says.

The professed goal of the Front is to preserve the country's territorial integrity by any means, including military.

But, according to its chairman, Tengiz Kitovani, the Front does not seek confrontation with the government, which is looking for a nonviolent solution to the Abkhazian problem. However, "if that policy proves a failure we'll have to openly get ready for war," Kitovani said.

Residents Protest Difficult Living Conditions

LD2111140894 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 21 Nov 94

[FBIS Translated Text] The population of the Vake district of Tbilisi blocked Chavchavadze Prospekt [the main street of the district] this morning. They protested against a five-day-long complete cut-off of electric power in the district and an acute shortage of bread which is scantily, if at all, supplied to the Vake district bread shops.

A similar picket was staged by the population of the Dighomi residential area of Tbilisi yesterday, 20 November.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Estonia

Prime Minister Departs for Crime Conference in Italy

WS2111143694 Tallinn ETA in English 0824 GMT 21 Nov 94

[From "News Bulletin" No. 226/94]

[FBIS Transcribed Text] Prime Minister Andres Tarand left yesterday for Naples to attend an international conference on crime fighting, organized by United Nations. Foreign Ministry Chancellor Indrek Tarand, Interior Ministry Chancellor Gero Kartau, Director general of the Defense Police Juri Pihl and premier's private secretary Toomas Kiho also belong to the Estonian delegation.

Defense Minister Heads to London for Seminar

LD2211102794 Tallinn Radio Tallinn Network in Estonian 0700 GMT 22 Nov 94

[FBIS Translated Text] Defense Minister Enn Tupp is travelling to London today by invitation of his British counterpart, Malcolm Rifkind. An international seminar is to take place in London on imposing civilian control over defense troops. Rein Vaabel, head of the combat training school for the Estonian defense forces, is travelling to England together with Tupp.

The conference is being held within the framework of NATO's Partnership for Peace cooperation program. It endeavors to widen cooperation between defense ministers and senior commanders and share experiences.

Official: Give Up Territorial Claims on Russia

LD2111204994 Moscow INTERFAX in English 1636 GMT 21 Nov 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksander Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] The Chairman of the Foreign Affairs Commission of Estonia's National Assembly Vello Saatpalu has said that it's time for Tallinn to give up its territorial claims to Russia.

The Narva River, where the border between Estonia and Russia lies, is a natural frontier between the two countries, he told Interfax on Monday [21 November].

The most belligerent patriots should realize that no country in the world will support Estonia in its demands that the territories, which were under Tallinn's jurisdiction after 1920 and now belong to Russia again, be returned, Saatpalu pointed out.

Nevertheless he said he hopes that Russia will agree to correct the borderline in the south-eastern sector "in accordance with the needs of the Setu nationality which lives there." "What we need is only local exchanges of small territories," the parliamentarian explained.

Saatpalu also spoke in favor of signing a bilateral agreement on the infrastructure of territories adjoining the border. According to him, Estonia's refusal to sign the already drafted document was prompted by the circumstance that, as a small nation, Estonia should reckon with the "possible threat from its big neighbor." "This does not mean a direct military danger, but the need to establish a more reliable control over the frontier, taking into account the current situation," he explained.

At the same time Saatpalu said that some Estonian politicians consciously incite fears, "seeing a wolf behind every bush and suspecting danger in everything Russia suggests."

Economy Minister Says Export Support System Necessary

WS2211095894 Tallinn ETA in English 1621 GMT 21 Nov 94

["News Release"]

[FBIS Transcribed Text] Estonian Minister of Economy Toivo Jurgenson told the parliament on Monday [21 November] that to develop Estonia's industry a system of export support had to be worked out.

Jurgenson said that the draft state budget of 1995 prescribed 10 million kroons of export allowances, the system of which would enable to finance state level information exchange, advertising and exhibitions. Export Crediting Fund to starting of which finances were found in the 1994 state budget was of the same importance.

Jurgenson said that the only economic representation Estonia has was located in Moscow, the five employees of which create ties, hold negotiations and manage information exchange with Russian economic circles.

In January 1995 Estonian trade representation will be opened in Holland, aided by Rotterdam's Chamber of Commerce and Industry and Estonian Chamber of Commerce and Industry, Jurgenson said.

By October 20 the Economy Ministry had registered 384 representations of foreign companies in Estonia. From state trade representations only the Georgian was officially registered. Jurgenson said that a joint Baltic trade centre was intended to be opened in Tallinn or Riga, the aim of which would be to exchange information to trade partners of Estonia, Latvia and Lithuania, study market possibilities and organise exhibitions and training.

Latvia

Latvia Can Join NATO Following Expansion Resolution

LD2111204394 Riga Radio Riga Network in Latvian 1800 GMT 21 Nov 94

[FBIS Translated Text] A resolution was passed at the 40th session of the North Atlantic Assembly on the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

possibility of NATO expansion, which would allow Latvia to become a NATO member state. The main problem against Latvia becoming a NATO member state within the next few years is the requirement to produce its own funds with regard to financing the NATO armed forces, and to be an equivalent partner to NATO member states in armament and supplies. A state which wants to join NATO cannot have territorial disputes with neighboring states, either.

Silars, chairman of the Saeima commission on defense and internal affairs, considers that Latvia is able to meet other NATO conditions which are related to tackling problems with minorities living in a country, and the transition to a democratic legislation.

Technical, Scientific Agreement Signed With Israel

LD2111135794 Riga Radio Riga Network in Latvian 1300 GMT 21 Nov 94

[FBIS Translated Text] A Latvian-Israeli interstate agreement on cooperation in the sphere of tele- and postal communications was approved at a session of the foreign affairs and security committee of the Cabinet of Ministers on 21 November. The agreement provides for technical and scientific cooperation between the two states in developing and improving technologies, exchange of information and experts in the sphere of tele- and postal communications, and forms a legal basis for future cooperation.

Views on Dismantling Skrunda Radar Station Differ

WS2111141094 Riga DIENA in Latvian 3 Nov 94 pp 3, 4

[Article by Janis Trops, Janis Kulmanis: "What Can Be the Profit From Skrunda Station for Latvia?"]

[FBIS Translated Excerpt] The news about the arrival of the U.S. company CONTROLLED DEMOLITION INC. representatives, with the aim of dismantling the Skrunda radar station, caused not only satisfaction, but also anxiety in the hearts of the Latvian population. Some of the inhabitants of Kurzeme expressed their apprehension in conversations with DIENA, but wished to remain anonymous, as their visit on the site of Skrunda station took place without the knowledge of the guards. They were forced to bring up this subject because the government continues to be silent on the issue of protection and dismantling of the radar station. The silence makes one suspicious that either a secret robbery of the installation is taking place or that there is an unwillingness to organize proper usage of the valuable material stored on the premises. According to information obtained from other anonymous persons, anything of value has already been taken away by people who are well known in Latvian society, but whose names remain unmentioned.

The Explosion Will Relieve Responsibility

Records of such negligence (or crime) could be easily destroyed with one stroke by blowing up both buildings. This is what the interlocutors of DIENA have come to believe by watching the advertisements of CONTROLLED DEMOLITION INC. in the Latvian television and press, about previous activities of the company. The pictures usually show how the company is pulling down the buildings by blowing them up rather than by dismantling them. Many Latvians are now of the opinion that in this case, precious materials that could be of great value to the Latvian economy will be destroyed.

With this in mind, DIENA asked Aivars Vovers, envoy for special tasks at the Ministry of Foreign Affairs, to explain the matter. According to him, the Russian side had the rights, on the basis of the Russian-Latvian agreement, to take away all installations and equipment from the Skrunda radar station. Latvia promised not to interfere with the dismantling of these installations by the Russians. The agreement with Russia stated that withdrawal of these materials would be completed by 31 August. " As far as I understand, Russia could not manage to remove everything in time, and the people living in the neighborhood are convinced that there is still something left. Apparently, this is really the case," said Vovers. [passage omitted]

Laimonis Kops, a construction engineer, director of the building enterprise "Celtne," and owner of the land on which the radar station is situated, is of the opinion that the "unique metal" from which the two buildings are constructed should not be destroyed by blowing up the buildings. It should be extracted by means of delicate dismantling, and used in different branches of the Latvian economy. For example, in building the Latvian National Library. The same pertains to the ferro-concrete panels that could be utilized for building multi-level garages. And the high-quality gravel, used in constructing the 5-meter embankment, could be used to build local roads. [passage omitted]

Mr. Kops has even proposed leaving a 18x18 meter portion of the building—presently occupying a 50x96 meter-area—as a monument to repressed nations.

Foreign Affairs Minister Valdis Birkavs sounded very firm in his conversation with DIENA: "I need guarantees that the building will not be used for military purposes. And I want the large building—notwithstanding the many projects of restaurants, towers for viewing the countryside and for parachute jumping—to be pulled down. The authors of the projects do not take into account that the very fact of the existence of this building in Latvia produces psychological pressure. Moreover, there is an international treaty that has the importance of international policy, and I shall not permit anyone to stand in the way of the security interests of the Latvian state. Therefore, I regard as heresy any idea of using parts of the construction material for constructing, for example, the National Library

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

—which would mean putting the monster from the times of the occupation of Latvia into the foundation of a sanctuary of Latvian moral values."

Asked whether this is a matter of politics, not economics for him, Birkavs replied: "Absolutely. If we want to be guided entirely by economics, we should join Russia again. I shall not permit Latvia's interests to be hindered by small economic matters."

"So, once again—will it be dismantled or blown up?"

"If a slow dismantling is to eat away all the money, and there will be nothing left for recultivation—there can be no hesitation. Let the scientists decide. If it would be more convenient and cheaper for them to pull it down slowly, they would do so. The Latvian side can also present its proposals. If we were strictly against blowing it up, they would certainly not do it."

The Landowner Is Not Being Considered

The landowner L. Kops—on whose land the radar station has been erected—has expressed his indignation over the fact, that the Latvian Government has practically avoided any participation by specialists in tackling the above problems. Moreover, although the land is his property, he has never been invited to any negotiations. [passage omitted]

Ulmanis, Gorbunovs Deliver Independence Day Speeches

LD1911111594 Riga Radio Riga Network in Latvian 0500 GMT 19 Nov 94

[FBIS Translated Excerpt] Yesterday, at the celebrations of the 76th anniversary of the proclamation of the Republic of Latvia, a ceremonial address was given at a gathering at the National Theater by Latvian President Guntis Ulmanis. We broadcast an excerpt of this speech:

[Begin Ulmanis recording] Looking back over the year since the previous 18 November celebrations, we see that we have taken a big step forward. The army of a foreign state has left our land. Many countries in the world have attested their solidarity and full support for our strivings for self-dependence. The citizenship law has been adopted. A hopeful start has been made on Latvia's admission to the Council of Europe. The partnership with NATO has increased the experience of our defense forces. The unity of the Baltic countries that is so important to us has gained a new reinforcement in the creation of the Baltic Council of Ministers. The position of the lats remains stable.

The burden of our cares, however, is still heavy. The slow and indeterminate course of privatization is delaying the development of our economy. Latvian agriculture is at present struggling with difficulty and persistence for its existence, as it is not easy to find a balance between the traditions of our fathers and the demands of the modern world. Therefore there is joy in every initiative, in every bright idea, that comes from our rural people. The process of transforming our industry is under way, but on that depends the welfare of many people, and their future destiny. Even now we cannot ensure social provision and health protection as our people have earned it. The work of schools and schoolteachers is still not properly rewarded. In legislation we have gradually approached a legal state, but the awareness of order, of obligation, and the law is being shaped and developed much more slowly. The guardians of law and order themselves occasionally gravely violate the law; state officials sometimes cannot distinguish the state coffers from their own. Not to place oneself against the state, but to take on one's share of responsibility: that is an ancient truth, but every age and every generation has to be reminded of it anew. However various our minds are, we have one and only one homeland. We have to overcome in ourselves the syndrome of both the submissive and the mutinous slave, if fate has decreed to make us masters. Now it is from ourselves alone that the wisdom of the master and political (?economy) is being demanded.

There is still much to be done in forming our international stance and in acknowledging our national identity. In all our economic and political work I would like to see more of a sense of honor, more spirit. We [words indistinct], but still without contempt. We are a strong nation. We have demonstrated our will to live. Let the doubts, the injuries, the strife cease. We are proud of our land, of our nation, for we have paid dearly for our freedom, and we are prepared to go on paying. [end recording]

At a ceremonial session of the Saeima, those present were addressed by Saeima Chairman Anatolijs Gorbunovs:

[Begin Gorbunovs recording] The year 1994 will go down in Latvian history as the year when the Russian Army left Latvia. Unfortunately it is still too early today to say of Latvia that it is a secure and flourishing land, that the majority of the people are favorably and hopefully disposed. At present we can to some extent speak of that only as a goal, to be achieved only by a road of difficult and urgent reforms. Even though this year signs of stability in the economy have been shown, and pensions and workers' wages are gradually rising, still there are many deficiencies. Unfortunately it is a hard reality that the gross domestic product in 1993 as well as the first nine months of 1994, compared with 1990, has declined by half. The standard of living for the majority of people in Latvia is unfortunately also low.

We are clearly aware of our closest goals. It is extremely important for Latvia to become a member of the Council of Europe as soon as possible. Therefore we will give an opportunity to our government to put to the Saeima as soon as possible its draft of future foreign policy. Our life in the coming years will also be positively or negatively

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

affected by those politically important, decisive resolutions taken already this year by the Saeima or about to be taken. They are the law on citizenship, the ratification of the Latvian-Russian treaty, and the determination of the status of noncitizens. Undoubtedly the 700,000 noncitizens are the biggest and hardest problem for Latvia today. But nothing else is more urgent for us than to try slowly and gradually to solve it, so as not to create threats to the future of Latvian nation itself, and at the same time not to humiliate other nationalities. When a nation gets involved in political struggles, it does so in the name of certain ideals. It expects the struggle for those ideals to be waged by those whom it has entrusted to carry out its will. When the Latvian nation arose in its reawakening, it was not struggling for power: It was struggling for its life. [end recording] [passage omitted]

Lithuania

Danish Foreign Affairs Minister Holding Talks

LD2111160894 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 21 Nov 94

[FBIS Translated Text] Danish Foreign Affairs Minister Niels Helveg Petersen arrived in Lithuania today, ELTA reported.

The Danish Foreign Minister met with Lithuanian Foreign Affairs Minister Povilas Gylys; presently, he is meeting with President Algirdas Brazauskas. Later he will meet National Defense Minister Linkevicius.

The process of European integration, future Lithuanian associate membership treaty with the European Union, the search for stability and security in Central Europe, the participation of Lithuanian servicemen in peacekeeping operations in Croatia, as well as bilateral Lithuanian-Danish relations, investments, and increasing of trade volume, these topics are being discussed at the meetings.

Tomorrow at 0700 GMT Petersen will hold a press conference. Following this, the Danish Minister will visit Kaunas where he will make an address at the Technological Institute.

The Minister will return back to Denmark on Wednesday.

Russian Embassy Refuses Comment on Transit Talks

WS2211095694 Tallinn BNS in English 1630 GMT 21 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 21, BNS—The Russian Embassy in Lithuania cannot comment on last week's meeting between Lithuanian and Russian experts because there has been no official report from Moscow, an embassy official told BNS.

Aleksandr Antipov, the embassy's first secretary, said a diplomatic mission is supposed to support the position of its government, however Russia's official opinion in this specific case is not known.

As reported, Lithuanian and Russian experts met in Moscow last Thursday to discuss Russian military transit through Lithuania. The talks failed when the sides reached no agreement on the subject of the meeting.

Viktor Isakov, head of the Russian delegation for talks with Lithuania, said the Lithuanian side disrupted the talks by refusing to discuss "its own draft agreement on military transit."

Isakov told reporters Friday [18 November] that Russia has ways to pressure Lithuania economically, but does not want to harm the interests of "300,000 Russians living in Lithuania." The Russian embassy's consular department said around 14,700 Russian citizens lived in Lithuania as of Nov. 1.

Antipov refused to comment Isakov's words, saying the negotiator may have been misquoted by the press.

'Very Productive' Border Talks Noted With Russia

WS2111144294 Tallinn BNS in English 1155 GMT 21 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 21, BNS—Lithuanian and Russian negotiators have determined the whole length of the land border between the two countries and have begun discussions on territorial waters and economic zones in the Baltic Sea.

The latest round of talks was held in Kaliningrad Nov. 17 and 18. This was the first meeting between reorganized negotiation teams, which were headed by Lithuanian Deputy Foreign Minister Rimantas Sidlauskas and Russian Ambassador Yuriy Sholomov.

Zenonas Kumetaitis, deputy head of the Lithuanian delegation, called the Kaliningrad round "very productive." However, he said, it became evident that the boundaries of economic zones will be one of the most difficult issues in talks between Lithuania and Russia.

The greatest deal of problems is likely to be caused by a deposit of oil, code-named D-6, which, according to varying estimates, holds from 75 to 175 million tons of petroleum. The deposit is closer to the Lithuanian coast, but Russia has already started work to bring it into production.

In an interview with BNS, Kumetaitis said negotiators in Kaliningrad only stated their positions on economic zones because the Russian delegation did not bring enough experts for a wider discussion.

Kumetaitis thinks details will be analyzed at the next meeting, which will be held in Lithuania in the second half of December.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Talks Continue; Agreement Reached

WS2211095194 Vilnius ELTA in English 1751 GMT 21 Nov 94

[From "News Bulletin" No. 634]

[FBIS Transcribed Text] Vilnius, November 21, ELTA—Lithuanian and Russian negotiators on Monday [21 November] held another round of talks in Kaliningrad on the state border demarcation and economic zone.

The negotiations also included the issue of continental shelf in the Baltic sea between Lithuania and Russia.

Lithuanian and Russian negotiators worked in three groups: They considered the draft agreement on the state border, discussed border demarcation and map drawings as well as sea territories, talked about the principles of establishment of the economic zone and continental shelf. The delegations decided that the provisions of the draft agreement should be discussed at one more round of talks.

During the negotiations an agreement was reached on the demarcation of the state border from the point of intersection of Lithuanian-Polish-Russian border up to the sea coast of the Kursiai spit.

The issues of territorial sea, economic zone and establishment of dividing line in the continental shelf will be the priorities at the next meeting of both delegations which will be held a week before Christmas in Lithuania.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

END OF FICHE DATE FILMED

28 NOVEMBER 1994